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Canada, Railways, Canals and Telegraph Lines,
" Standing Committee on, 1951 (2d sess)

HOUSE OF COMMONS

Fifth Session—Twenty-first Parliament
1951

Government
Publication

(Second Session)

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STANDING COMMITTEE

ON

RAILWAYS, CANALS AND
TELEGRAPH LINES

Chairman: MR. L. O. BREITHAUP

MINUTES OF PROCEEDINGS AND EVIDENCE

and reports

No. 1

Bill 9

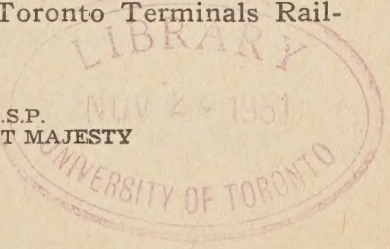
An Act respecting The Toronto Harbour Commissioners.

TUESDAY, NOVEMBER 13, 1951

WITNESSES:

Mr. Norman Robertson, K.C., Counsel for the Toronto Harbour Commission; Mr. J. P. Pratt, K.C., Counsel for Trans-Northern Pipe Line Company, Toronto; Mr. Leslie Blackwell, K.C., Counsel for the McColl Frontenac Oil Company Limited and the Consumers Gas Company, Toronto; Mr. H. W. D. Kilgour, Counsel for the Imperial Oil Company Limited, Toronto; Mr. R. T. Hughes, Counsel for the British American Oil Company Limited, Toronto; Mr. J. H. Campbell, K.C., Counsel for the Shell Oil Company Limited, Toronto; Mr. Frank D. Turville, K.C., Law Department, Canadian Pacific Railway, Toronto; Mr. A. D. McDonald, K.C., Counsel for the Canadian National Railway and Toronto Terminals Railway Company.

OTTAWA
EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1951



STANDING COMMITTEE
ON
RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Mr. L. O. Breithaupt

Vice-Chairman: Mr. H. B. McCulloch

and

Messrs.

Applewhaite,	Gillis,	Murphy,
Beaudry,	Gourd (<i>Chapleau</i>),	Murray (<i>Cariboo</i>),
Bertrand,	Green,	Mutch,
Beyerstein,	Harkness,	Nixon,
Bonnier,	Harrison,	Noseworthy,
Bourget,	Hatfield,	Pouliot,
Browne (<i>St. John's West</i>),	Healy,	Richard (<i>St. Maurice-</i>
Cannon,	Herridge,	<i>Lafleche</i>),
Carter,	Higgins,	Riley,
Chevrier,	Hodgson,	Robinson,
Churchill,	James,	Rooney,
Clarke,	Johnston,	Ross (<i>Hamilton East</i>),
Conacher,	Lafontaine,	Smith (<i>Queens-</i>
Darroch,	Low,	<i>Shelburne</i>),
Dewar,	Macdonald (<i>Edmonton</i>	Stuart (<i>Charlotte</i>),
Eudes,	<i>East</i>),	Thatcher,
Ferguson,	MacNaught,	Ward,
Follwell,	McGregor,	Weaver,
Fulton,	McIvor,	Whiteside,
Garland,	Mott,	Whitman—60.
Gauthier (<i>Portneuf</i>),		

(Quorum 20)

R. J. GRATRICK,
Clerk.

ORDERS OF REFERENCE

FRIDAY, 19th October, 1951.

Resolved,—That the following Members do compose the Standing Committee on Railways, Canals and Telegraph Lines:—

Messrs.

Applewhaite, Beaudry, Bertrand, Beyerstein, Bonnier, Bourget, Breithaupt, Browne (<i>St. John's West</i>), Cannon, Carter, Chevrier, Churchill, Clarke, Conacher, Darroch, Dewar, Eudes, Ferguson, Follwell, Fulton, Garland,	Gauthier (<i>Portneuf</i>), Gillis, Gourd (<i>Chapleau</i>), Green, Harkness, Harrison, Hatfield, Healy, Herridge, Higgins, Hodgson, James, Johnston, Lafontaine, Low, Macdonald (<i>Edmonton East</i>), MacNaught, McCulloch, McGregor, McIvor,	Mott, Murphy, Murray (<i>Cariboo</i>), Mutch, Nixon, Noseworthy, Pouliot, Richard (<i>St. Maurice-Lafleche</i>), Riley, Robinson, Rooney, Ross (<i>Hamilton East</i>), Smith (<i>Queens-Shelburne</i>), Stuart (<i>Charlotte</i>), Thatcher, Ward, Weaver, Whiteside, Whitman—60.
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(Quorum 20)

Ordered,—That the Standing Committee on Railways, Canals and Telegraph Lines be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

TUESDAY, 30th October, 1951.

Ordered,—That the following Bill be referred to the said Committee:
 Bill No. 9, An Act respecting The Toronto Harbour Commissioners.

MONDAY, 12th November, 1951.

Ordered,—That the name of Mr. Hees be substituted for that of Mr. Higgins on the said Committee.

TUESDAY, 13th November, 1951.

Ordered,—That the said Committee be authorized to sit while the House is sitting.

Ordered,—That the quorum of the said Committee be reduced from 20 to 12 members, and that in relation thereto Standing Order 63(1) (b) be suspended.

Ordered,—That the said Committee be empowered to print, from day to day, 800 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Attest

LEON J. RAYMOND,
 Clerk of the House.

REPORTS TO THE HOUSE

TUESDAY, November 6, 1951.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as a

FIRST REPORT

Your Committee recommends:

1. That it be authorized to sit while the House is sitting;
2. That its quorum be reduced from 20 to 12 members, and that in relation thereto Standing Order 63(1) (b) be suspended;
3. That it be empowered to print, from day to day, 800 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

All of which is respectfully submitted.

L. O. BREITHAUP,
Chairman.

WEDNESDAY, November 14, 1951.

The Standing Committee on Railways, Canals and Telegraph Lines begs leave to present the following as a

SECOND REPORT

Your Committee has considered Bill 9, An Act respecting The Toronto Harbour Commissioners and has agreed to report it with amendments.

A copy of the proceedings and evidence is appended.

All of which is respectfully submitted.

H. B. McCULLOCH,
Vice-chairman.

MINUTES OF PROCEEDINGS

TUESDAY, November 13, 1951.

The Standing Committee on Railways, Canals and Telegraph Lines met at 11 o'clock a.m. this day. Mr. L. O. Breithaupt, Chairman, presided.

Members present: Messrs. Bertrand, Carter, Chevrier, Churchill, Green, Harkness, Healy, Herridge, James, Johnston, Lafontaine, Low, Macdonald (*Edmonton East*), MacNaught, McCulloch, McGregor, McIvor, Murray (*Cariboo*), Pouliot, Rooney, Smith (*Queens-Shelbourne*), Whiteside, Whitman.

On motion of Mr. Whitman:

Resolved,—That the Committee recommend to the House that its quorum be reduced from 20 to 12 members and that in relation thereto Standing Order 63 (1) (b) be suspended.

On motion of Mr. McCulloch:

Resolved,—That the Committee recommend to the House that it be authorized to sit while the House is sitting.

On motion of Mr. Whiteside:

Resolved,—That the Committee recommend to the House that it be empowered to print, from day to day, 800 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

On motion of Mr. McIvor:

Resolved,—That Mr. H. B. McCulloch be Vice-chairman of the Committee.

The Committee then commenced consideration of Bill 9, An Act respecting The Toronto Harbour Commissioners.

In attendance: Mr. W. H. Bosley, of the City of Toronto, Chairman, Toronto Harbour Commission; Mr. W. J. Matthews, Director, Administration and Legal Services, Department of Transport, Ottawa.

Witnesses: Mr. Norman Robertson, K.C., of the City of Toronto, Counsel for the Toronto Harbour Commission; Mr. J. P. Pratt, K.C., of the City of Toronto, Counsel for Trans-Northern Pipe Line Company; Mr. Leslie Blackwell, K.C., of the City of Toronto, Counsel for the McColl Frontenac Oil Company Limited and Consumers Gas Company of Toronto, and also representing the Imperial Oil Company Limited, the British American Oil Company Limited and the Shell Oil Company Limited.

The Chairman called Clause I of the Bill.

Mr. Robertson was called, outlined the history of the legislation concerning the Toronto Harbour Commission, explained the purposes of the amendments contained in the Bill and was questioned thereon.

Mr. Pratt was called, made a statement in opposition to the Bill, was questioned thereon and retired.

Mr. Blackwell was called and commenced a statement in opposition to the Bill before the Committee.

At 1.00 o'clock p.m. the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3.00 o'clock p.m., Mr. L. O. Breithaupt, Chairman, presided.

Members present: Messrs. Cannon, Carter, Chevrier, Ferguson, Green, Healy, Herridge, James, Johnston, Lafontaine, Low, Macdonald (*Edmonton East*), MacNaught, McCulloch, McGregor, Mott, Murray (*Cariboo*), Noseworthy, Pouliot, Robinson, Rooney, Smith (*Queens-Shelbourne*), Whiteside, Whitman.

In attendance: Mr. W. H. Bosley, of the City of Toronto, Chairman, Toronto Harbour Commission; Mr. W. J. Matthews, Director, Administration and Legal Services, Department of Transport, Ottawa.

Witnesses: Mr. Leslie Blackwell, K.C., of the City of Toronto, Counsel for the McColl Frontenac Oil Company Limited and Consumers Gas Company of Toronto, and also representing the Imperial Oil Company Limited, the British American Oil Company Limited and the Shell Oil Company Limited; Mr. H. W. D. Kilgour, of the City of Toronto, Counsel for the Imperial Oil Company Limited; Mr. R. T. Hughes, of the City of Toronto, Counsel for the British American Oil Company Limited; Mr. J. H. Campbell, K.C., of the City of Toronto, Counsel for the Shell Oil Company Limited; Mr. Frank D. Turville, K.C., of the City of Toronto, Law Department, Canadian Pacific Railway; Mr. A. D. McDonald, K.C., of the City of Toronto, Counsel for the Canadian National Railway and Toronto Terminals Railway Company; Mr. Norman Robertson, K.C., of the City of Toronto, Counsel for the Toronto Harbour Commission.

The Committee resumed consideration of Bill 9, An Act respecting The Toronto Harbour Commissioners.

Mr. Blackwell continued with his presentation in opposition to the Bill, was questioned thereon and retired.

Messrs. Kilgour, Hughes, and Campbell, respectively, were called, heard in opposition to the Bill, questioned thereon and retired.

Messrs. Turville and McDonald were called, explained the position of the Canadian Pacific and Canadian National Railways with respect to the Bill before the Committee and were retired.

Mr. Robertson was recalled, made a further statement, was questioned thereon and retired.

Clauses 1 and 2 respectively were considered and adopted.

On Clause 3:

Mr. Whitman moved:

That subclause one of clause three be amended by striking out the words "notwithstanding any other Act" in lines eighteen and nineteen and substituting therefore the words *subject to The Pipe Lines Act*.

After discussion, and the question having been put, the said motion was agreed to.

Subclause one, as amended, and subclauses 2 to 5 inclusive of clause 3 were severally considered and adopted.

Mr. Whiteside moved:

That Clause 3 be further amended by adding thereto the following subclause:

(6) Section twenty-one of the said Act is further amended by adding thereto the following sub-section:

(4) No by-law made under this section shall affect the construction, maintenance or operation of any railway under the jurisdiction of the Parliament of Canada except railways of the Corporation.

After discussion, and the question having been put, the said motion was agreed to.

Clause 3, as amended, the Schedule and Title were severally considered and adopted.

The Bill, as amended, was adopted and the Chairman ordered to report the same to the House.

On motion of Mr. McCulloch:

Resolved,—That the Bill as amended be reprinted.

At 5.30 p.m. the Committee adjourned to the call of the Chair.

R. J. GRATRIX,
Clerk of the Committee

EVIDENCE

NOVEMBER 13, 1951.

11.00 a.m.

The CHAIRMAN: Gentlemen, there are now twenty members present. I regret very much that we could not get started sooner because this is our first meeting in this committee and the statutory quorum is twenty. I suppose there is no doubt about it but the first motion of the committee should be to adjust the quorum as is customary. Has someone a motion in that connection?

Mr. WHITMAN: I move that the committee recommend to the House that our quorum be reduced from twenty to twelve members, and that in relation thereto Standing Order 63 (1) (b) be suspended.

The CHAIRMAN: Is that your pleasure?

Carried.

The next matter is authorization to sit while the House is sitting. Obviously we have to do that if we are to make progress.

Mr. McCULLOCH: Mr. Chairman, I move that this committee recommend to the House that it be authorized to sit while the House is sitting.

Carried.

The CHAIRMAN: We should have a resolution empowering us to print a certain number of copies of the evidence.

Mr. WHITESIDE: I move that the committee recommend to the House that it be empowered to print, from day to day, 800 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 64 be suspended in relation thereto.

The CHAIRMAN: You have heard the motion? All in favour?

Carried.

It is customary to appoint a vice-chairman.

Mr. McIVOR: I shall move that a very solid man, Mr. Henry McCulloch, be our vice-chairman.

The CHAIRMAN: Are there any other nominations?

All in favour?

Carried.

We have for discussion and consideration Bill 9, an Act respecting the Toronto Harbour Commissioners.

I shall call clause 1 which will permit us to have a general discussion on this bill before us. I think at this point, therefore, we will have Mr. Robertson come forward and explain the objects of this change in the bill.

Norman Robertson, K.C., Counsel for Toronto Harbour Commissioners, called:

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen, I am speaking for the Toronto Harbour Commission in connection with and in support of the bill which is now before you and it is for the amendment of the Toronto Harbour Commissioners' Act, a statute of this parliament enacted in May 1911, and perhaps initially I should give you some descriptive and historical matter relating to the harbour.

Toronto harbour was a used harbour back long prior to Confederation, the first legislation relating to it being 4 William IV in 1850, later legislation being passed by the former Province of Canada and ultimately legislation whereby the administration of the harbour of Toronto was vested in a body of commissioners in the Act of 1911, and that is the Act which since that time has empowered the commissioners and has vested in them the jurisdiction over Toronto harbour. At that time, those of you who are familiar with the city will remember that the water-line was then south of Front street and in 1911 this Act that I hold in my hand was passed.

The amendment we are now asking is the amendment to this Act. Under this Act section 5 is, for the purposes of this Act—

The port and harbour of Toronto shall be deemed to include all the waters west of—and I will paraphrase for you—the east limits of Toronto and east of the west limits and south of the then water-line. By the original Act it is administered by a board of five commissioners of whom one is appointed by parliament. Dr. Kinsella is here and is the present appointee. The second is appointed by this parliament on the nomination of the Board of Trade and the three other commissioners are appointed by the city of Toronto.

In 1911—or let me go back to Confederation—under the Act of Confederation you will remember that under section 10 or division 10 of section 91 all of the harbours were vested as to property in the dominion and powers to shipping and navigation were given to this parliament, and on account of that our constitution comes from this parliament and has existed under this Act since 1911 granted by this parliament.

Under section 15 there was provision for certain lands to be conveyed to the commissioners which, by the Act, was created a body corporate. Consequently on the passing of that the harbour commissioners received the ownership of the harbour lands in three ways: one, by grants from this parliament because under the British North America Act Canada owned the lands, the harbours; two, by grants from the province of Ontario, and three, by grants from the city of Toronto, the two last grants being authorized by provincial legislation which was preparatory to the passing of this Act, contemplated this Act and authorized those conveyances. That is where we got the land.

Having got the lands, in exercise of the powers under this Act, the commissioners issued their bonds to a total aggregate as issued of \$30 million, which money was spent in reclamation work, the construction of docks and other improvements. In addition to what was spent by the commissioners from their bonds, which bonds, by the way, were guaranteed by the city of Toronto, Canada spent \$15 million in the construction of dock walls. That makes a total of \$45 million. Of that, \$30 million, as I told you, was raised by the commissioners' own bonds guaranteed by the city.

The development of the harbour proceeded after 1911 to the present date. Perhaps I should say in fairness that Mr. E. L. Cousins, known to many of you, conceived the plan of the harbour and was materially instrumental in carrying it out over the years. The development of the facilities and use of the harbour for that period is evidenced in this text in the brief which I, with the permission of the chairman, have distributed. In 1912 the cargo dues received by the commissioners totalled \$7,667. These had grown by 1950 to \$307,480, and I want to relate those figures to what is granted to us in this amendment. I have mentioned to you and told you of the bond issues. Now, those bond issues were serviced in a number of ways. It was contemplated that the harbour should be, so far as possible, self-supporting. Notwithstanding, it was appreciated that in its earlier stages of development it would have to be supported by the city of Toronto, the then immediate market area served by

it—I should say that that market area has grown greatly, and the waterborne traffic now coming into Toronto I suspect covers an area perhaps as far as Guelph, certainly as far as Port Credit, certainly as far as Whitby, perhaps even as far as Kitchener—so that I just mention that to explain to this committee the extent of the area served by this harbour and administrated by this commission.

To come back to the matter of dollars, the revenue of the commission comes from harbour dues, from rentals on the lands they have leased, from sales prices on the lands they have sold which go to pay capital costs on our bonds, and rentals on our buildings. You could then sum it up by saying, as is mentioned in this brief, that our revenue comes from cargo rates, dock properties and miscellaneous income.

Now, the miscellaneous income. Those of you who have driven west from Toronto may perhaps damn some of the miscellaneous revenues because they come from those amusement areas which straddle the Lake shore road to the west, but they are substantial.

Now, the times have moved and we are now contemplating the entry into our harbour and into this market of pipelines. Until this date a large part of our dock property, built with Canada's money and our money, was rented on perpetually renewable leases to coal companies, oil companies and other heavy industry from which the commissioners derived the revenues from the harbour waterborne traffic coming into the harbour.

Now, we are faced with the situation that these lessees and owners who have derived their properties from us, properties made with our money, bounded on navigable waters with dock walls constructed with our money, are going to bring in their commodities—and I speak of oil—by pipe line, so that we are faced in the fairly immediate future with this situation, that the source of revenue from waterborne oil products coming in across our docks will now no longer come in across our docks; they will come in by pipe line and the essential clause of this amending bill is for the purpose of replacing or allowing us to replace some of the revenue which heretofore has come to us from waterborne traffic by a put-through charge on the pipe lines.

Now, that is eminently fair. Here we have an expenditure in total of \$45 million now reduced by maturities and reductions to perhaps about \$17 million which it is the ambition of the commissioners will be serviced and not a burden on the taxpayers of Toronto, and maybe I might say that it is only the taxpayers of Toronto who have guaranteed our bonds whereas a very much larger area around Toronto is serviced by this harbour and these harbour improvements. You have this situation: the oil companies and other industries—particularly the oil industry—have acquired and now hold with good title under perpetually renewable lease or ownership these dock walls that we have put in. On that side is water, on this side is land, and they have their capital improvements in that area, and what we are asking is power to replace revenues which we get from waterborne traffic with revenues that we can get until we have paid our bonds off out of the oil coming into these very properties made and improved by us right in the centre of this big market area.

Now, let me show you how significant this is. In 1950 our total cargo rates, as I have stated, were \$307,000. \$140,000 came from oil carriers. We are probably going to have a gas pipe line some day coming in, perhaps, through Buffalo and Toronto. A large part of our revenue comes from oil. With the advent of oil in Canada coal is disappearing as a domestic fuel and it is being replaced by oil. So that we are also faced with the loss of our coal harbour dues. And let me add to the \$140,000 which we got from oil carriage last year another \$118,000 (of course we will not lose it all at once) that we got from coal dues and you have \$258,000 out of \$307,000 of our harbour dues—five-sixths of our revenue

to service our bonds, to pay for the improvements, to pay for creation of lands on which these companies have their plants in the very centre of the marketing area. We are faced with losses.

That is the essence of what we are asking by way of amendments. There are other provisions which I will deal with shortly.

Under section 2 we are asking for a re-definition of our northerly boundary and the re-definition in the Act that we are asking is south—as a matter of fact, gentlemen, we are giving up some land over which we might say we have jurisdiction—the land we are defining is south of the shore-line in 1867 and the shore-line in 1867 was what was given to the dominion and the northerly boundary of that over which we were given jurisdiction.

By Mr. McGregor:

Q. I wonder if you have a map of this area?—A. Yes, I have, sir.

The CHAIRMAN: It might be helpful right now.

The WITNESS: This is a plan—pardon me holding it this way and turning my back on you—can you all see it if I get out of the way? This is the inner harbour. According to the old maps and as closely as there is any evidence—and it is the only evidence available from any source, and we have made exhaustive searches—the shore-line of this location, gentlemen, is this blue line, if you can see it—the darker line here.

That is what came to the dominion by the British North America Act and over which they thereby acquired their jurisdiction and which came to us. Then, you will see perhaps faintly a green line coming through here and away out to the west end and Sunnyside on that side. That was the boundary in 1911.

By Mr. Rooney:

Q. Mr. Robertson, I was just wondering if you would explain in a way that we could grasp it quicker where that boundary is in comparison to the Royal York Hotel on Front street?—A. Let me put it to you this way then, gentlemen. There is the Royal York Hotel. South of the Royal York Hotel we used to have a street. At the moment we have a ditch, but you will remember there was a street in front of the Royal York Hotel and according to our evidence south of the street—and I know some of my lawyer friends here will confirm me—there was what was known as a “walks and gardens” and that was a little part which ran down to the water’s edge. You will see here, there is Front Street where the end of my pen is and there is the 1867 water-line. This green line here is the 1911 water-line because in the meantime you, Canada, had granted waterlots to many people for old lumber yards and flour mills and grain elevators. This one, the red line is, what we propose as the northerly boundary of the harbour to be effected by declaration by statute and we are asking that only because we get difficult lawyers in Toronto who come to us from time to time and say, “Well, establish to us, then, this now being dry land, that it ever was water and that you ever had any jurisdiction over it.” So, we have to get out the old original maps from which this is traced, and we thought for administrative convenience when we were coming to ask for the right to collect a put-through charge on the pipe lines that we would define it for our own convenience, and that, gentlemen, is the only reason for the request to define the north boundary: because remember, while that was water in 1867 and that green line was water in 1911, we have built with this \$45 million that I told you about this place into dry land. That has been done by Canada and the harbour commissioners with your money and our money guaranteed by the city and put up by the city, because from year to year in the earlier years we were not able out of revenues to satisfy our maturities. That is now dry land, so we thought that would be expedient.

Now, somebody will say, "Isn't it a funny thing that they should take a line like that with a sharp turn in it whereas they have the jurisdiction because of the water-line?" Well, the reason for that is, as I mentioned to you earlier, that prior to the passing of the 1911 Act the Ontario Legislature passed an anticipatory Act under which they gave the city power to convey certain lands to us and they themselves authorized the conveyance of certain lands to us. That is why there are these twists and turns. For example, you will see here the British American Oil Company there and there. Now, the British American Oil Company on this northerly portion is completely outside of the harbour because their predecessors under title got that prior to any time that we know of when that was part of the harbour or lakes; but, on the other hand, the British American Oil Company down here is within our area because we were conveyed that to be administered by us as you will see in our original statute.

Q. Would that be Cherry street?—A. Cherry street is here—east of Cherry and Keating. That is just east of Cherry on the north side of Keating. I have not the scale in my head but I would guess about 30 or 40 feet north of Keating is in and from there on it is out.

Hon. Mr. CHEVRIER: Mr. Robertson, is there any objection to the oil coming through your boundary as established in 1867?

The WITNESS: I think there is by them and the railway companies, and I think when the railway companies come to talk to you they will talk about this area which was leased to them.

You will remember I spoke of the twists and sharp turns. That was leased to them very many years ago on a perpetual lease with the remainder in the city or province—I have forgotten which—but we were conveyed the remainder. Now, that is the reason. The harbour front had developed since 1867; the people had bought waterlots and themselves had filled them in and put boathouses and docks on them; but that is the reason for it.

Now, that is the island. This is the eastern channel—to bring it into your mind before I leave this part of it—and this is the western channel and this is all administered by the Toronto Harbour Commissioners. For example, this was Ashbridge's bay in the early days and you can see the early contours here, and there was an entrance in here. That was—I should not say dry land—marsh land, and that is where the oil companies are. Here we have McColl-Frontenac Oil Company, Imperial Oil Company, Fuel Oil Company Limited, Sun Oil Company, Imperial Oil Limited, Sun Oil Company, Imperial Oil, Imperial Oil, Canadian Oil and British American Oil. You will notice, gentlemen, that they are all clustered around Keating channel here, where they have dock frontage that we built. They are all clustered around the ship channel where they have dockage that we built.

If there are any questions before I leave the question of the boundary at this moment I will be glad to answer them.

Now, that is the whole thing we are asking on the northern boundary—expediency. We are giving up, as I showed you, some of our jurisdiction to make a line which we can now tie into known surveyors' marks.

Now, going back to our bill, to our Act of 1911, we were given amongst other powers—and may I just refer to this—you remember I spoke to you about conveying it to us and I will read from the 1911 bill:

The corporation may hold, take, develop and administer on behalf of the city of Toronto, subject to such terms and conditions, as may at the time the control thereof is transferred to the corporation, get certain lands. The corporation shall have power by by-law passed and confirmed as hereinafter provided to regulate and control the use and

development of all land and property on the waterfront within the limits of the city and all docks, wharfs, channels, buildings and equipment, houses erected or used in connection therewith.

That goes back to 1911, gentlemen.

In addition to our general power to pass by-laws, the next section of the bill now before you deals with by-laws and an amendment to this section:

The corporation may from time to time make by-laws not contrary to law, nor to the provisions of this Act, for the following purposes—

And I am going to read subclause (b) and perhaps if you will look at the bill in your hands you can check and see where the variation is made by the amendment now before this committee. I am reading from the 1911 statute:

To construct, regulate, operate and maintain railways, elevators, pipes, conduits, or other works or appliances—

Now, we have an amendment but I am still reading from the 1911 bill:

—upon the docks, wharfs or channels or any part thereof—

And going on:

—and to control, regulate or prohibit the erection of towers or poles, or the stringing of wires or the use of any machinery which might affect property or business owned, controlled or operated by the corporation.

Now, you will see in the underlined portions of the bill before you where the amendments are, and those amendments are not different in principle from those we were granted in 1911, but they become necessary because of the development of a new mode of transport—pipelines.

Now, I should say to you that the commissioners are not approaching this subject in any way as opportunists, looking for some more revenue—let me call it profit—but they are greatly concerned that this harbour be a self-supporting harbour in so far as possible. They see this new mode of transport coming into their lands; lands on which they spent their money to build and which are enjoyed by the oil companies. They want to replace that.

Now, let us look at what it may mean at the moment. Taking all the oil that came across the docks in Toronto harbour last year and applying our harbour dues to it at 10 cents a ton, we are thinking about the large put-through fee of $\frac{4}{100}$ ths of a cent per gallon. Now, we do not ask for that as a fee because when the pipelines come in there will no doubt be transshipments that we will get higher dues on and we expect that being granted this power we will be able to sit down with the constituents of some of the representatives here (Mr. Blackwell and others) and make a deal with them on the tax, but unless we have the power you can rest assured—and I speak from experience and recent experience—that the oil companies will say, “Look, gentlemen, you have no power to get anything out of us and we are going to bring oil in by pipelines now and as regards your revenues from harbour dues—well, it is just too bad, but that is a change in conditions, a change in times.” Now, that is what we are asking there.

Now, in order not to develop this at too great length, looking at paragraph 3 of the bill on (4) we are trying to tidy up some pretty feeble tools and weapons that we were given in 1911. Looking at our 1911 Act we are given this power in the same section, 21, under clause (i)—

To impose penalties, upon persons infringing any of the provisions of this Act or by-laws of the corporation; such penalties not to exceed fifty dollars or thirty days’ imprisonment—

Now, the commissioners have a constant and continuing problem with harbour pollution and in experience our only remedy is to fine them \$50.

Now, that is just like a licence fee, but the \$50 does not mean anything to some of the people who were polluting the harbour only yesterday. The \$50 does not do anything because they will pay the \$50 when we prosecute them, and that is the end of it.

The other language is not in any way controversial. It is merely tidying up some of our powers. There is just one other point which I have left to the last.

Under our Act of 1911, section 21, as I have told you, gives us our power to pass by-laws. I want to read to you subsection (2), but please remember that our amendments are to the clauses of subsection (1).

Subsection (2) reads as follows:

21 (2) No by-law shall have force or effect until confirmed by the Governor in Council and published in *The Canada Gazette*.

We are not asking that they be removed; or, to put it another way: We cannot exercise the powers that we get in this amendment until we have the consent and approval of the cabinet by order in council, I mean the Governor in Council.

That was in the 1911 Act; that is not being touched; and I think that is the protection and the proper protection, that the over-all policy will not be interfered with, or the rights of the oil companies be unreasonably interfered with by any capricious act of the Harbour Commission, because, if they were capricious, the protection is to be found under the requirement that we must get the approval of the Governor in Council.

To go back in history, in 48 years the Harbour Commission has not exceeded its powers in any way detrimentally to the interests of the public. We have acted to the benefit of the oil companies because we have made the best sites available to them in the center of the best market, probably, in Canada.

Let me submit that this bill, which comes to you as a government measure, not only has our support, it also has our wholehearted support.

By Mr. Pouliot:

Q. I would like to ask you a personal question, Mr. Robertson.—A. Yes sir.

Q. I know that you are one of the leading businessmen of Toronto. Are you a lawyer?—A. I am.

Q. Well, I think that the University of Toronto should confer upon you the degree of doctor of laws.—A. Thank you, Mr. Pouliot.

By Mr. Rooney:

Q. Before you sit down, Mr. Robertson, you say that this is within the City of Toronto?—A. Yes, sir.

Q. Well, Toronto is growing east, west, and north; and we expect within a short time to have what we call a greater Toronto.

Mr. MCGREGOR: We hope so.

By Mr. Rooney:

Q. I feel that way, and I know this harbour. I have known it since I was an infant. I can dream of a row of piers which are continuing now, going down and which will take in all the spots where the oil companies are, as well as other locations which you will have to get control of. I can dream that you can see down to Keatings Cut and all the way down, and that these things will be there. I can dream also that the seaway will be surely coming and that Toronto harbour will be one of the greatest harbours in North America. Within the city of Toronto, at the north boundary there have been a lot of changes because, in 1928 I took a boat in front of your Harbour Commission building, while now it is three-quarters of a mile further down. The borders

to the north will be settled; and then, how about the east and the west?—A. The border to the north was settled by factual conditions in 1867 and in 1911. But every time we have to tell anybody about that boarder we have to go back and give a lecture on history. I am glad that you mentioned the dock frontages. At the moment there is only 300 feet of dock frontage available in the ship channel, that I showed to you, for any industry. But there is a mile held by the oil companies. There is only one Toronto harbour left for development, for dock frontage development. I refer to the two blocks between Jarvis street and Parliament street; that is Jarvis to Sherbourne to Parliament; two city blocks. I do not know the lineal length. That area has not a harbour head-wall on it yet. But of that which has a harbour head-wall there is only 300 feet and the oil companies enjoy 111 acres which were formerly water. We have 15 miles of dock frontage and the oil companies enjoy every mile of it. All we are asking is for our own revenue protection, and to have available to us the right to get back out of a put-through charge this 4/100 of a cent per gallon. We are glad to see the pipeline within the harbour area because it is an advance, but we do not think we should be put in a position that, having made the land—well, gentlemen, things change and things improve. The pipe line is an improvement. It is just too bad for the citizens of Toronto if they have to pay taxes to pay for the bonds to give a harbour to Kitchener in Toronto. Thank you very much.

The CHAIRMAN: Are there any other representations to be made by the Harbour Commission, or any other questions? Mr. Green.

By Mr. Green;

Q. I would like to ask Mr. Robertson a question, if I may.—A. Yes, sir.

Q. This section 3, subsection (1), clause (c) of the bill, is described in the side note:

Regulation etc., of works and businesses in harbour area.

A. Yes, sir.

Q. That seems to go a great deal further than the present section, I mean this present clause?—A. This section (3), sir?

Q. Paragraph (c), yes?—A. Paragraph (c)?

Q. Yes, particularly where, as I understand it, the board is given power "to control, regulate or prohibit". Those are the words contained in line 17. And then you go down to line 22:

...the carrying on of any business or activity within the port and harbour of Toronto that would, in the opinion of the commissioners, affect any property or business therein or affect the rates, tolls, charges, income or revenues of the Corporation.

A. That is very broad language.

Q. That seems to be an entirely new departure in legislation of this kind.—A. May I explain to you why the language is broad; and, let me say to you that the breadth of the language does not condemn the statute necessarily. The reason for the breadth of language is because of what we have experienced in nuisances and contamination of the harbour. I might say to you, and if necessary later, in reply, will develop that the situation as to the contamination of Toronto harbour has created perhaps one of the greatest fire hazards in Toronto. We have tried to correct it. With this we may be able to do a little more than we have done. The language is wide, and one could assume that is what it is aimed at.

Q. You say now that that language is so wide only for the purpose of controlling nuisances?—A. There are other purposes for which it might be used. For example, it might be used to see to it that the tank farms were not put contiguously. That would be a fire hazard or a nuisance. It is intended to

be analogous to the restrictive by-laws which you find in municipalities; in the city of Toronto and in each municipality you respectively represent they have wide powers for controlling the use of the area. They may have taken land and sold it to you on tax sale but they retain the power to say that you cannot, for example, put a soap factory on it. That is the kind of thing; that is the pattern here. We are asking for the kind of powers that municipalities have and which they can exercise for the benefit of the whole. Keeping in mind, gentlemen, that the Toronto Harbour Commissioners while they are a legal entity they are a creature of the city of Toronto, they are trustees; and, we cannot pass a by-law which will have any force or effect until it is approved by the Governor in Council. Admittedly, the language is wide, but you have the protection of the Governor in Council and you have the protection of the fact that the harbour commissioners are a public body administering this area for the benefit, not of one oil company but all companies—not just all oil companies, but of all citizens; and I think it would be very remiss if we asked for legislation aimed at a very small point. We have a duty to the whole area and trying to perform our duties properly we have asked for enough power—always remember that any by-law of ours is just waste paper until it is approved or passed by the Governor in Council. Does that answer your question?

Q. No, but it seems to me it goes a great deal further than you just mentioned now, and it would seem that one of the real purposes of this amendment is to prevent a development which might cut down the revenues of the Harbour Board. You have not dealt with that point in your answer to my previous question. For example, the last three lines there say this: "that it would, in the opinion of the commissioners, affect any property or business therein or affect the rates, tolls, charges, income or revenues of the corporation;" Now, it would seem to me that if that power is granted then you could say there must not be any pipe-line into the harbour unless you agree to pay such and such a revenue. Now, I think, that power is given. I am interested in this because I am wondering if a precedent of this kind is created whether we, if this sort of thing goes in here, will have a similar provision enacted into law in our Vancouver Harbour Board bill, or the Montreal Harbour Board bill—

Mr. MURRAY: Or Fraser harbour.

Mr. GREEN: Yes, or Fraser harbour—the consequences might be very far reaching, and that is why I would like to know how you justify taking such drastically wide powers which in effect give you, not a shot gun to deal with offenders, but perhaps an atom bomb.

The WITNESS: Might I answer you in this way, by reading what has been in the statute since 1911. I will sum up some of the verbiage to make it short, but I want to show you what I mean, I am reading from the 1911 statute: "(c) to construct, regulate, operate and maintain railways, elevators, pipe, conduits or other works or appliances upon the docks, wharves or channels or any parts of; and to control or regulate or prohibit the erection of towers or poles or the stringing of wires or the use of machinery which might affect property or business owned, controlled or operated by the corporation;"

By Mr. Green:

Q. Yes, but how can you show the type of thing that it is to regulate?—A. The wording is here: "or the stringing of wires or use of any machinery which might affect property or business owned, controlled or operated by the corporation," and we have the business of collecting tolls.

Q. No, that is not a business; that is not what is meant by the present section.—A. With all respect, sir, it is our main business, getting money in to pay off these bonds.

By Mr. Pouliot:

Q. If I understand you correctly, Mr. Robertson, what you want is to get a clear title to the enlarged area in order to enjoy the full rights of ownership.—
A. That is one thing, that is perhaps the most important thing, but the other thing is this: we want the right, certainly until our bonds are paid off, to replace our revenue coming to us by earnings out of the harbour dues.

Q. Yes, that is your second point.—A. That is my second point. The honourable member, (Mr. Green) here questions that; he says that I had too long a reach, that I had reached out to get powers. But I say to him, in principle, I have not gone further than the powers that I had in 1911 in the original bill and I say to him that it is necessary to me to have these broad powers to pass by-laws in the general benefit of the harbour; and I say—

Mr. POULIOT: And, in the public interest.

The WITNESS: And in the public interest—and I say to him that he need fear nothing because I must go to the Governor in Council before I can do anything, because my by-laws must be approved by the Governor in Council; and, as a matter of fact—

Mr. POULIOT: And you want quick action in as far as that is feasible.

The WITNESS: Certainly we like to get things done. We would like action this morning, for instance. But, anyway, I could add this: I did explain to you that we are the creature of these bodies, the parliament of Canada and the city of Toronto. In normal practice, while we are not bound to do so, we consult the city—we have three representatives of the city on our board—before we do anything on this. And they are all there to protect the people, in the interest of the public. I think anyone might expect that we will follow very closely the principles of our 1911 Act, and I am going to admit that our powers are plain, and are put in very general form.

By Mr. Green:

Q. You are not seriously contending that you have the same powers, that you have the same powers under your present clause “C”—A. Oh, no, no, no—

Q. Because they seem to be very restricted in comparison with our present clause “C”. The old clause “C” reads: “to construct, regulate, operate and maintain railways, elevators, pipes, conduits, or other works or appliances upon the docks, wharfs or channels or any part thereof; and to control and regulate or prohibit the erection of towers or poles, or the stringing of wires or use of any machinery which might affect property or business owned, controlled or operated by the corporation”.—A. Quite right, sir.

Q. You are not seriously trying to compare that with the present clause which enables you to say that if a business is causing you a reduction in fees received by the corporation then it can be prohibited?—A. No, not at all, sir. What I am saying in reply to your question is that the principle of prohibition and control of business was in the 1911 Act. I very frankly admit that the language of the bill now before you goes further than that, and there is a reason for that. Looking at the 1911 Act, you have “wires and poles and towers”.

Mr. McIVOR: Pipes and pipe lines are new words?

The WITNESS: The development of public utilities consisting of pipes and pipe lines in this area was unknown in 1911 and I suspect, sir, if there had been pipe lines or projected pipe lines it would have been in.

Mr. POULIOT: There were no pipe lines in 1911.

The WITNESS: Not here, except plumbing pipe lines and the pipes we ourselves would put in as sewerage lines.

Hon. Mr. CHEVRIER: May I ask you a question? If this section passes you will have the right to control, regulate and prohibit the construction or use of pipes or pipe lines for the transportation of oil or gas. What bothers me at the moment is that parliament has also given those powers under the Pipe Lines Act, and in the Pipe Lines Act there are two sections which authorize the Board of Transport Commissioners to permit a company to construct, lay, carry or place pipe lines across certain places, and I presume that any pipe line company getting authorization from the Board of Transport Commissioners would proceed to expend a considerable amount of money. Now, then, what answer have you to make to the effect that if this passes it might overlap and contravene the jurisdiction contained in the Pipe Lines Act?

The WITNESS: I can only say, Mr. Minister, that I would expect that when we came with our by-law—and remember it must be by by-law—to the cabinet, they would say: “Look, you go over to the Board of Transport Commissioners before we give you consent”. Gentlemen, there is an absolutely impregnable stone wall in front of us till we go through cabinet, and that, I think, is a complete answer.

Hon. Mr. CHEVRIER: Why not put it in the bill and say “subject to the Pipe Lines Act”?

Mr. MACNAUGHT: And not use that language, “notwithstanding any other Act”.

Hon. Mr. CHEVRIER: Say “subject to the Pipe Lines Act”.

Mr. McIVOR: Do you want pipe lines to come in there with their oil?

The WITNESS: We certainly do. We want them in. Look, gentlemen, we do not want to keep them out. We want them in. So far as our powers are concerned in reference to pipe lines—I am not talking about oil companies, but pipe lines—we want the pipe lines in, we want them to be built, certainly until our \$17,000,000 matures and is paid off, to replace the 4/100 of a cent a gallon we now get out of a ship, out of pipe lines.

The CHAIRMAN: Thank you very much, Mr. Robertson. I think we will follow the usual procedure and hear other witnesses and then discuss the bill clause by clause. Are there any other witnesses to be heard? Mr. Blackwell and Mr. Pratt, would you come forward, please. Mr. Pratt, would you mind stating your name and whom you represent, for the benefit of the record.

Mr. J. P. Pratt, representing Trans-Northern Pipe Line Company, called:

The CHAIRMAN: Proceed, Mr. Pratt.

Mr. PRATT: Mr. Chairman, Mr. Minister and gentlemen. As I have intimated, I represent Trans-Northern Pipe Line Company, a company incorporated by a statute of Canada in 1949, given powers to construct pipe lines for the transportation of petroleum products. We come under the provisions of the Pipe Lines Act which has been referred to by the minister. We are owned by the British American Oil Company, that is, we are a child of British American Oil Company, McColl Frontenac Oil Company and Shell Oil Company. They are equal partners in our venture. In accordance with the provisions of the Pipe Lines Act, in July of this year we made an application to the Board of Transport Commissioners for an order granting us leave to construct a pipe line for the transmission of refined oil products from a point in the vicinity of the city of Montreal to a point in the city of Toronto, thence to a point in the city of Hamilton, with a branch line from a point in the township of Osnabruck, which is near Cornwall, to the township of Nepean near Ottawa.

That was an *ex parte* hearing and I appeared for the pipe line company and asked the direction of the board as to whom we should notify of our application, and asked the board also for a date of hearing.

Hon. Mr. CHEVRIER: May I interrupt you? What point in the city of Toronto did you file your plan and profile for?

The WITNESS: Our plan, Mr. Minister, shows we are going down to the property of the Toronto Harbour Commission. I have a plan here. If any of the committee members would like to see it, it is available. Now, in accordance with the direction of the board—

Mr. MURRAY: I think we would all like to see that plan.

The CHAIRMAN: Yes, we should see it at this point.

The WITNESS: If I may be permitted to step over here, I will describe the plan. This is Montreal. We start from the refineries of the three companies at Montreal East. We proceed across the Rivière des Prairies, the Rivière des Milles Isles, to a point on the Lake of the Two Mountains near Oka. We cross the river or lake at Oka and proceed along—here is Cornwall—and then we come to this point where we branch off to Ottawa. We come to a point north of Prescott and we build a short branch into the McColl Frontenac area there. Then we come to a point near Maitland, where we have a terminal. We proceed north of Brockville and through Kingston, north of Belleville, north of Port Hope, and we come along here north of the city of Oshawa and down here and show our terminal in the harbour commission area at Toronto. Then we continue on to the city of Hamilton and again we show our terminal in the Hamilton harbour property. Does that answer your question, sir?

The CHAIRMAN: Yes.

The WITNESS: Our pipe line does not pass through any of the larger centres such as Cornwall, Brockville, Kingston, Belleville or Oshawa. We stay about two miles north of highway No. 2, which is known as the Lakeshore Highway. Now, upon my *ex parte* application to the Board of Transport Commissioners, they directed me to serve a very large number of corporations, municipalities, including the Toronto Harbour Commissioners. The Toronto Harbour Commissioners were duly served with a copy of that order, which included, as provision No. 1, a statement that the applications would be heard on the 6th day of December, 1951, at the hour of ten o'clock in the forenoon in the court room of the Union Station building in the city of Ottawa.

We naturally attended—and when I say we I mean the pipeline company—the hearing of the application. The Toronto Harbour Commissioners did not send a representative. Representatives came from the city of Toronto, the city of Hamilton, the Attorney General of Quebec, the Department of Roads in the province of Quebec, the Department of Highways in the province of Ontario, and the Hydro Electric Power Commission of Ontario.

As a result of that sitting, and after time had been taken to consider the matter, the board brought down a judgment granting our application, and as a result of that, Order No. 77377 was issued on the 15th day of September, 1951, approving of the route map which is before you.

Now, I might mention that after approval of the route map—inasmuch as we have been able to secure enough pipe to lay the crossings under the Riviere de Prairie and Rivières des Mîles Isles—we made application to the Minister of Public Works, as required by the Navigable Waters Protection Act, for permission to construct a pipeline across those two streams—which we hope to finish this year. Next year we hope to go across the Lake of Two Mountains. It is a matter of steel; it is a matter of steel throughout—because, if we do not construct those pipe lines—and this evidence was given by Mr. Horne, the president of the pipe line company, before the Board of Transport

Commissioners—if we do not construct this pipeline we are faced with a situation of having to go to the steel controller and ask for an allotment to permit us to build more tanks and more tankers. The reason is that we are in a rapidly expanding area in the central part of the province of Ontario.

Hon. Mr. CHEVRIER: Would you tell us what objections you have to this bill, sir?

The WITNESS: Yes, I was just coming to that.

I was going to say that up to the introduction of this bill we had no knowledge of any opposition whatever to what was proposed. When the bill was introduced, and after it had reached our hands, we were shocked, because the very first power that this commission asks is the right to prohibit pipelines from being constructed upon the lands of the Harbour Commissioners.

Now, it is very easy to see why they ask this power. My friend suggested that they had it in 1911 but I must respectfully disagree with that. In 1911, under section 21 of the Act, the opening sentence is:

The corporation may from time to time make by-laws not contrary to law nor to the provisions of this Act for the following purposes:

Now, my friend in his present bill says that they shall have the power:

to construct, regulate, operate and maintain railways, elevators, pipes, conduits or other works or appliances within the port and the harbour of Toronto. . .

whereas formerly it was “within the harbour”—“and to control, regulate or prohibit the erection of towers or poles or the stringing of wires. . .” they had that before—“or,”—now listen—“. . . notwithstanding any other Act. . .,” now that is the 1911 Act, that is the Pipe Lines Act, that is the Railway Act—

,—when, not in the discretion of parliament, not in the discretion of the Governor in Council, not in the discretion of the Board of Transport Commissioners—but when in the opinion of the members of the Toronto Harbour Commission the revenues of the harbours are going to be affected.

Now, that applies to Toronto today if this passes. It may very well happen to Hamilton later on, and it may very well happen to every harbour which is governed by a harbour commission.

Our objection is this: We strenuously object to legislation being given to the Toronto Harbour Commission which places in its hands a club—and that is all it does.

They are going to lose revenue they say. Well, is that a reason for prohibiting progress? Do the railways, when they come before the Board of Transport Commissioners for an increase in rates, simply say: Trucks have taken business away from us? Do they not have to establish that their rates are insufficient to meet their costs?

Now, surely, this parliament cannot fairly be asked to put in an Act power in the hands of the Harbour Commission to say, when we come down to their boundary with our pipeline: You shall not pass.

My friend says he welcomes pipelines and he wants pipelines. Then, why use the word “prohibit”.

The word “prohibit” is in there for bargaining purposes. It is suggested that the oil companies have a mile of dock and if that dock is not going to be used it is a matter for negotiation, not legislation.

The oil companies will not want to occupy land or dock space down there that they are not going to use. They cannot afford it. It is not economical, and I do not know of any more economic operation than that of an oil company.

It is beyond my comprehension that my friends come here and say: If we do not want you in there, Mister oil company, you cannot come.

My friend says: You are not going to be penalized there—because the Governor in Council will have to pass our by-law and have to approve it.

No representations are permitted by those who are going to be affected. It is not like a public hearing before the Board of Transport Commissioners. We cannot appear before the Harbour Commission and make representation, nor can we appear before the Governor in Council.

They are simply asking us to be placed in their hands so that they may club us into agreeing to something—because they say their revenues are going to be affected. They do not want to go out into the other fields of industry to look for a means of substituting or supplementing those revenues. We consider it is most unfair that we should be prohibited from coming down into the harbour area.

They make great stock of the fact that they have done much for us, but I say in return that we have done much for them, because we pay very, very, substantial rentals for our property.

Hon. Mr. CHEVRIER: May I ask you, sir, would you be prohibited from going in if this legislation were made subject to the Pipe Lines Act?

The WITNESS: No. Because, Mr. Minister, as you will recall—we do not mention this and we have not had to mention it so far in all our dealings with the public—but as you will recall, sir, we have powers of expropriation.

By Mr. Robinson:

Q. Mr. Pratt, would your objection to the bill be met if lines 18 and 19 of subclause (c) were amended to read: “. . . notwithstanding any other Act except the Pipe Lines Act.”—A. Lines which?

Q. Lines 18 and 19 of subclause (c). Would your objections to the bill be met if it were amended to read: “. . . notwithstanding any other Act except the Pipe Lines Act?”—A. That would be helpful.

Q. Would it meet your objections?—A. If we can remain under the Pipe Lines Act we are completely happy.

The CHAIRMAN: Gentlemen, I think we should follow the procedure of hearing these witnesses and then discuss any details under the clauses as we go along?

Mr. ROONEY: I would just like to ask Mr. Pratt a question.

The CHAIRMAN: No long speeches, Mr. Rooney?

Mr. ROONEY: No. Mr. Pratt, the Toronto Harbour Commissioners are the people of Toronto—they represent the people of Toronto. City appointees are representatives, the Board of Trade of the city of Toronto is represented, the Federal Government is represented—and is that not enough protection for you?

The WITNESS: Well, the word “prohibit” is in there. If they do not want it why do they put it in.

The CHAIRMAN: If that question is answered I think that we have time to hear Mr. Blackwell, unless there are any other questions?

By Mr. McIvor:

Q. You were shipping your oil in by boat before, were you?—A. Partly by boat, partly by tank car.

Q. And you paid some taxes then to the Harbour Commission?—A. Anything coming in over dockside paid taxes by way of dockage.

Q. If it came in by pipe line you would not have to pay that?—A. Not coming in by pipe line, but certain amounts will be transhipped as my friend, Mr. Robertson, says.

May I reply to Mr. Rooney? There is just one point I would like to make in connection with his remark and it is this. This legislation is introduced by the representatives whom you have mentioned.

By Mr. Rooney:

Q. But if this legislation did not go through, your company could bring in oil and not pay the city of Toronto or the Harbour Commission any rate whatsoever?—A. On oil coming in? Yes, it may be interpreted that way. We would pay dockage on oil going out, of course, and there will be very substantial quantities I am told.

Q. It would deprive the city of Toronto of an amount of money—roughly \$300,000 that they receive at the moment—if you decided to do that?—A. It would deprive them of their oil revenue until such time as they could get another industry to take our place.

Leslie M. Blackwell, called:

The CHAIRMAN: Whom do you represent?

The WITNESS: Mr. Chairman and gentlemen, I will give you that. Primarily I am representing here the McColl-Frontenac Oil Company Limited and the Consumers' Gas Company, but in order to avoid a repetitious argument I have been requested to incorporate in what I say on behalf of those two companies representations on behalf of the following companies as well: the Imperial Oil Company Limited, the British American Oil Company and the Shell Oil Company, and it may be, Mr. Chairman, that at the conclusion of what I have to say that those who are here directly representing one or more of those companies might feel it advisable to add to the representations that I will make.

Mr. ROONEY: We did not catch the first companies you were representing.

The WITNESS: They were the McColl-Frontenac Oil Company Limited and the Consumers' Gas Company of Toronto.

Mr. Chairman and gentlemen, the first references I would wish to make are to section 2 of the bill and that section is declaratory in its nature. It undertakes to say from the time this Act would receive the Royal Assent what is the port and harbour of Toronto. It sets out the boundaries. Now, that immediately raises the question of the constitutional power of the dominion to enact this bill in toto, in its complete form in relation to the designation contained in the Act. I wish to assure you, gentlemen, that I do not feel it is appropriate that I should attempt myself to argue a constitutional issue here, but I think in view of the fact that my friend Mr. Robertson made some reference to powers and how this all evolved, that perhaps I might briefly lay the basis for what that issue was about and then, Mr. Chairman and gentlemen, I feel that what would happen from that point on is that the responsible minister is not going to be interested beyond examination in what opinion I may express or what opinion may be expressed from any other sources but the Department of Justice of Canada. But I do feel that I can raise in your minds a sufficient question that acting responsibly the minister and the committee will wish to take that advice.

The first statute that I know of that raises the question of the limits of the Toronto harbour was an Act of 1834. That starts in a little before the time that my friend mentioned and there was an Act of the parliament of Upper Canada that sets forth the limits of the harbour. Now, strangely enough, when we come to the 1911 Act, at least when we come to the British North America Act—and I would make a reference there although I do not intend to read it or go into it in detail—what sections 108 and 109 there did was that they established in the dominion by conveyance at that time the harbour or port of the city of Toronto and it was on the strength of title so acquired that by the Act of 1911 to which my friend is referring the harbour as defined in that Act was conveyed to the corporation.

Now, what has happened since that time, gentlemen, and what raises an extremely interesting issue is simply this, that the corporation went ahead—and

when we speak of water, you from Toronto all know that in relation to that large map we have up there that the centre part of it, the bay, always was navigable water but a great deal of what my friend might have meant when he said "water" was marsh land, swamps and what not that was capable of reclamation, and one of the functions of the corporation was to reclaim that marsh land swamp and to make it usable land, and in due course they did.

Now, that brings up the extremely interesting document that I wish to refer to, and that is an order in council (dominion) and I will refer to it. It is P.C. 1385 and that order in council altered what might be described as the economic concept of how the harbour was to be developed or by that order in council which is delegated legislation of the Dominion of Canada, the corporation for the first time received the power to sell lands, and without going into boring detail about it the conception of developing the harbour as set forth in some detail in that order in council was that the actual works, the walls and docks and what not were inalienable. Also there was provision for leasing land but as well, gentlemen, there was a power under that order for the first time for that corporation, for the purpose of raising its funds, to sell property in fee simple, and it exercised that very broadly; and if you gentlemen want to take the time and trouble to examine that large map that was up there a while ago I can show you that along that whole waterfront that is included in what is proposed in this bill are innumerable examples of properties conveyed by that corporation without restriction for ordinary industrial use to be used by the owners thereof just the same as you would use any piece of real property you bought.

Mr. GREEN: What year was that order in council?

The WITNESS: Yes, I am sorry, Mr. Green, I did not give the year—the 20th day of August, 1925. And so, since 1925, gentlemen, that process has gone on and today what the Harbour Commission of the city of Toronto is in effect doing, having in mind this is legislation, is coming forward now and saying in effect, "We made a mistake, we should not have alienated that property, we would like to have it all back under our control for the purpose—" and I will put the words bluntly—"—of taxation." And so they ask the parliament of Canada to repudiate in effect its legislation by order in council and to put that land back into the harbour.

By Mr. Pouliot:

Q. If you will permit me, Mr. Blackwell, would your clients be satisfied to abide by the regulations and by-laws of the Toronto Harbour Commission?

Hon. Mr. CHEVRIER: Would you mind repeating your question, Mr. Pouliot?

By Mr. Pouliot:

Q. I said: would your clients be satisfied to abide by the by-laws and regulations of the Toronto Harbour Commission?—A. I will come to that. We would, definitely. I shall answer that question: Frankly, we would definitely not wish to be placed in that hazard.

Now, that, gentlemen, raises the constitutional issue and after I tell you this, I do not feel that I should say any more about it. I know that it is the view of the Department of the Attorney General of Ontario that these lands conveyed in fee simple have now passed beyond the legislative jurisdiction of the dominion by reason of those conveyances, and by an Act of the parliament of Canada they cannot now be brought in. I am told that this matter received preliminary consideration by the Department of Justice here some time ago, and that the department expressed great doubts on that question.

Coming back to what I said a moment ago, the hon. minister and this committee will no doubt be guided by the opinion of the law officers of the Depart-

ment of Justice, I would expect, and that the opinion of that department as to the legality of that aspect of the bill would be requested. With that I feel I should say no more about it. But it is an issue and it is a problem.

By Hon. Mr. Chevrier:

Q. Is anyone representing the Attorney General's department here today?—A. There is no representative here today, and I would be surprised if there were one, because, Mr. Chairman and Mr. Minister, I would think that the present Attorney General of the Province of Ontario would regard it as a breach of the amenities to come here and make representations to the committee; and that, any representations he would make would be made to the Department of Justice, and that that would be the proper channel and courtesy to observe. There is another matter which I feel this committee should be made aware of.

Q. Has the Attorney General made any representations to the Department of Justice on the question of constitutionality?—A. Mr. Chairman, and Mr. Minister, I am able to answer that. I am informed that the Attorney General of Ontario has dispatched a letter to the Minister of Justice of Canada raising this question and asking the Department of Justice here to give it its consideration.

By Mr. Murray:

Q. As an oil man, Mr. Blackwell, would you explain to the committee the economy of passing oil through a 4-inch pipe as compared with moving it in barrels over the wharf?—A. I am complimented, Mr. Murray. I am not an oil man. I am only a lawyer. But I do think I might be of a little assistance to you.

I believe that the product which is brought into Toronto Harbour by the shipper at the present time is not what is called crude oil but rather petroleum products, and that they have been processed to some degree. I may be wrong, but it is my understanding that the pipe line we are now discussing is one for the handling of petroleum products and not crude oil. But if I am wrong in my facts about it no doubt some one will correct that impression. That is the best I can do to help you.

What I shall say in relation to the principles of this bill, I think should be borne in mind by the committee because whatever is determined as a matter of principle in relation to the powers which might be conferred upon the corporation which operates the harbour in Toronto could not very well be refused in relation to like requests for many other harbours throughout this land. Therefore the questions you are now considering are of real and primary importance.

I am aware that at the moment there has been going forth a co-operative effort, gentlemen, between the Surveyor General of the Province of Ontario and the Department of Transport for the purpose of trying to determine the proper limits of all the harbours in Ontario, with the thought, I believe, that to the extent that those limits require reconstitution in the public interests, it would be the thought that both the dominion and the province would combine their legislative powers to bring about these desired results in the public interests. I feel you should know that that step is going on.

I have with me a small-scale map which is exactly the same map as the big one which you saw on the wall. And I would like to say that on the map which you saw on the wall, I believe the blue line referred to was the northerly limit by the Crown, that is, the Ontario grant in 1911, and that the red one was the boundary which it is proposed to create by enactment of this bill.

Might I say, gentlemen, that as you can see, the whole breadth of the harbour situation in the city of Toronto is illustrated by these two lines. And I

would say that, as often as not, the new boundary proposed in red is up above the old boundary set by Act of 1911. That is a matter which I shall leave with the committee.

In other words, it brings into the picture and under control of the Harbour Commission in all the ways mentioned certain lands which have never been so termed on any basis that can be put forward.

So much for any questions as to the constitutional aspects. I do not want to dwell upon them, but I do want the committee to be made aware that these are important problems and that they do exist.

Even at the risk of repeating myself, I do want to leave the impact of it with you, gentlemen, that this Act asks the government of Canada to repudiate its own legislation or its transfers in fee simple, wherein purchasers acquired land in good faith, free of harbour control, in the belief, I submit, that they could operate it industrially in any way that they saw fit. This request would repudiate the result of that legislation. There is no doubt about that.

Now, some of the members of this committee have asked such definite questions relating to the new powers conferred by this bill that I hesitate to be completely circumstantial about them.

In relation to that, may I say that this bill represents, as far as its principles and powers go, a complete change in policy in respect to the operation of the harbour.

The CHAIRMAN: We shall adjourn now until 3:30 this afternoon.

AFTERNOON SESSION

The CHAIRMAN: Gentlemen, we will resume our session and we will be pleased to hear Mr. Blackwell.

Mr. Leslie Blackwell, K.C., recalled:

The WITNESS: Mr. Chairman, and gentlemen: I had just come to the point in my testimony where I was submitting to the committee that in the policy it contemplates in reference to the area involved, this bill represents a complete and definite change of construction as related to the Toronto Harbour.

Without going through Section 3 of the bill, subsections (1), (3), and (5), in detail, I will ask you for yourselves to reflect on what is reached by the new bill as opposed to the 1911 statute. I think you will find in relation to its application that the 1911 statute had as its objective the controlling of what went on, the regulating of what went on—including the prohibiting of what went on—and tolls, in relation to the channels, docks, and harbour facilities—but not the land area, not of the entire land area.

Section 3 (1) represents an expansion where the power in every respect that is proposed by this bill reaches out and grasps every industrial operation that could take place within that area and that, gentlemen, relating not to the channels and docks and harbour facilities but relating to the land that was conveyed and alienated over a period of the last twenty-six or twenty-seven years—purchased by purchasers in good faith for use for any industrial purpose. This bill reaches out and grasps the power to regulate, prohibit and control with relation to all of that. If you will examine the map presented this morning you will be impressed, as I am, with the variety of the nature of industrial enterprises that can be affected by this bill—enterprises which are making no direct use of the harbour facilities or services.

Now, gentlemen, that takes this bill out of the category of being a bill providing for the development, the maintenance, and the operation of the harbour—and the charging of dues or rates for services rendered—and makes it a bill which is really a general taxing act.

I am extremely doubtful whether that can be what the honourable minister had in mind when he introduced the bill, and what parliament would have had in mind when considering this enactment.

By Mr. Pouliot:

Q. Therefore, Mr. Blackwell, you oppose the first subparagraph of paragraph 3?—A. That is right, and the other subparagraphs that I have mentioned. I am asking the members at their leisure to examine the powers to control and regulate, and the power to impose tolls—which under the 1911 Act were really limited to harbour services and facilities—and to observe how they are now extended to all forms of enterprise.

Q. You base your argument on legislation of 1834 or that of 1911? You spoke to us about the legislation of 1834?

Hon. Mr. CHEVRIER: I was going to ask something, but will you answer Mr. Pouliot's question?

The WITNESS: Would you repeat your question, Mr. Pouliot?

By Mr. Pouliot:

Q. I asked whether you raised your argument or your opposition through the legislation of 1834 to which you referred this morning, or through the Act of 1911?—A. I believe that I have made that clear in what I have just been saying, in that I am asking you to compare the powers in the Act of 1911.

Q. Because, I thought the legislation of 1834 and of 1911 had something to do with your argument?—A. It had this morning, but I finished the constitutional aspect of my argument and I am now down to the question—I am arguing now on the assumption of an Act within the legislative competence of parliament now. My argument is now directed to the policy of that Act.

By Hon. Mr. Chevrier:

Q. May I ask one question, Mr. Blackwell? What particular part or parts of 3(1) (b) are you objecting to?—A. Mr. Minister, to answer that, I am objecting to the part that says "... notwithstanding any other act ..."—and Mr. Pratt dealt with that this morning—and the words "... the construction ... of ... pipe lines for the transportation of oil, gas or other liquid or gaseous hydrocarbon, ...".

Gentlemen, perhaps there I might interpret as I go along. That refers not only to a commodity pipe line such as has been authorized by the Board of Transport Commissioners, but also covers delivery lines from every oil company or gas company located in this area and reaching out to industry and to the homes of the city of Toronto.

Q. May I ask another question, Mr. Blackwell?—A. Do you want me to complete my objections, Mr. Minister, because I have others? I just want to make myself plain as I go along, if I may?

Q. Could I interrupt there to ask this question? If the words that you have read were made "subject to the Pipe Lines Act" would you then have the same objection to that part of the section which you have read out?—A. Yes, Mr. Minister, I would. I would like to make myself abundantly clear on that. As a matter of fact I am already aware of one situation and I think one of my friends who is here today may wish to say something about it. For instance the Imperial Oil Company, I understand, have projected a pipe line which is not under the pipe line legislation and which would be adversely affected, notwithstanding the qualification of those words.

Then, I would if I may put it this way in all humility, Mr. Minister: I am not clever enough to adequately examine an amendment that might just come at me in that way. If I had the responsibility for amendment of an Act I am

quite sure, sir, that I would want to have adequate time to study it and to criticize it if I were taking the responsibility of submitting it to parliament or the legislature.

Q. Thank you very much for that admonition, Mr. Blackwell.—A. It is not an admonition at all.

Q. It is; I consider it as such.—A. I shall withdraw it in that sense. I am simply saying that you are asking me if I thought that would fix it. I am saying I do not know. I cannot work that fast. I have found from experience that every time I do so I make a mistake.

Q. But I would like to know from you what are the objections to that section you have referred to already?—A. I am quite ready to go on with the principles when you wish me to.

Q. Perhaps I should not have interrupted.

By Mr. Pouliot:

Q. I do not want to interrupt you but I would like you to be clear. I would like to know if you are making a point that this legislation will make any change in any shape or form—through this legislation or by virtue of it—to property actually owned by your clients, property which will fall under the Harbour Commissioners? Do you understand my question?

You spoke of ownership—ownership of property. What I want to know is if this legislation will make any change in ownership through which your clients will suffer—if the property of your clients comes under the Harbour Board by virtue of this legislation? Am I clear?—A. Yes, Mr. Chairman, I think I understand Mr. Pouliot's question and I feel the answer to it is that the bill creates no change in the title ownership of any property that I am aware of, but, coming back to the point I made in this branch of my presentation, the bill imposes or creates a power to subject that ownership to an entirely new system of taxation. That is my point. And if the members will be patient with me I will give the illustration—

The CHAIRMAN: I would suggest that you proceed with the presentation and then questions may be asked after that.

The WITNESS: Whatever suits the convenience of the committee, Mr. Chairman.

The CHAIRMAN: I think that is the wish of the committee and the usual practice.

The WITNESS: Also, if I may follow with what objections one would have to the section of the bill, section 3 (1), this is entirely new, a new section:

—the use of any machinery, apparatus or equipment or the carrying on of any business or activity within the port and harbour of Toronto that would, in the opinion of the commissioners, affect any property or business therein or affect the rates, tolls, charges, income or revenues of the corporation.

Now again, gentlemen, I wish to emphasize that when it refers to "any business or activity within the port of Toronto" it means the port of Toronto as designated by the schedule of the Act as referred to in section 2 of the bill, and it brings back within the power of the Harbour Commission that property which it freely alienated of its own free will and which, by the way, as my friend Mr. Robertson has reminded me, it alienated of its own free will and with the approval of the Corporation of the City of Toronto.

Now, coming to section 3 (3), the substituted (g), the new words there are adding to the expression previously used "rates, tolls" and it adds the words "charges . . . in respect of the landing, receiving, shipment, transshipment or transport by any means whatsoever"—not just by pipe lines but any

means whatsoever—by truck, gentlemen, if you will—“of” and then the expression is “goods, wares, merchandise, materials, substances or commodities into, from or within the port and harbour of Toronto,” meaning again, gentlemen, the port and harbour of Toronto as is re-created by the schedule to this bill, and that simply means that an impost can be put on any kind of commercial transaction that takes place on what was freely conveyed, freehold property sold to many different business and industrial enterprises in the area.

Now, I would like without taking up too much time, if I might, give a practical illustration from a typical oil company's business leaving out of the question all the other applications that may be had. Now, first of all, petroleum products at the moment are brought into the port of Toronto usually by ships and they bear the usual charges that are properly made by the Harbour Commission but, gentlemen, in the case of some of us those commodities so brought in, still bearing those charges, come onto what is presently freehold property free from any restrictions so far as the harbour is concerned and the method of dealing from that point on is not to send them back out by ship again, the method is to send them out by tank car and tank trucks to the whole area that they serve.

Now, a typical area served would be, say, Oakville on the west and straight north of there Georgetown, and on the east about Highland Creek and on the north Newmarket which is about the easterly-southern end of Lake Simcoe. Now, there are other companies—that is the one that I represent—there are companies today which are shipping many of their products from there as far away as North Bay and there is one company to my knowledge which is shipping certain of its products in that fashion throughout the whole of Canada. That method of doing business, that aspect of it in the past in relation to raising the present revenues that Mr. Robertson refers to, has not been bearing tolls. Now, the answer is that if this bill were enacted that operation would bear tolls, new tolls, new taxation, not in any way being tolls to replace any loss by reason of the intervention of pipe line transportation as opposed to ship transportation.

Mr. POULIOT: Well, Mr. Blackwell—

The CHAIRMAN: Could you reserve your questions?

Mr. POULIOT: I do not want to butt in; I just want some questions to be illustrated.

The CHAIRMAN: All right, Mr. Pouliot.

Mr. POULIOT: This subparagraph (3) refers to rates, tolls, charges and penalties, if I understand well, and those rates, tolls, charges and penalties will be uniform for each kind of merchandise and will not tax the various means of transportation mentioned there?

The WITNESS: Well, Mr. Pouliot, I cannot answer the question of whether or not those rates, tolls and charges would be uniform. The impression I gathered this morning from Mr. Robertson was that out of the total revenue of the harbour board of some \$343,000—I can be corrected if I am wrong—some \$140,000 odd came from the oil companies and it was the oil companies they wanted to get it back from, not by the imposition of some uniform rates. That is what I gathered and the impression I also gathered was that the Harbour Commission wanted this bill principally as a negotiating weapon so that they could say, “Gentlemen, you either comply with what we want to do or we will produce a rating by-law of some description and we will take it for approval by order in council”.

Now, it is all very well, but I think that the weight of negotiation is a bit against you if the statute is there and when you do not know what the result

of the application will be. It is not a fair negotiating position, so I cannot answer the question whether the rating would be uniform on all merchandise. The impression I gathered was that that was not the intention.

Mr. POULIOT: Respectively uniform for each kind of goods. I do not mean by that that there will be a special rate for your company and another rate for Mr. Pratt's company and different rates like that; I mean that the rates for oil will be the same notwithstanding any kind of shipment or transshipment.

The WITNESS: I think perhaps the proper answer, Mr. Chairman, is that that could better come as an expression of intention of what they wish to do from counsel that is advocating the bill than it would be as a guess from me when I do not know what their intention is and what they would be recommending.

Mr. POULIOT: It would be most unfair to tax them more than others.

The WITNESS: Now, if I may come to the next operation which I might illustrate, Mr. Chairman and gentlemen, that has to do with what is known as the heavy products, that is, the lubricating oils and greases and so on. At the present time, in relation to the company that I represent, usually the raw product out of which those are processed is not brought in by ship; it is brought in by tank car and as far as its transshipment out again is concerned it is by the method I described of tank car and tank trucks substantially; and so if these provisions were to be imposed there would be an operation which has never borne—except to the degree that there may have been some shipment by ship—any rates, tolls, charges or assessments by the harbour board. And that again constitutes a new form of taxation which bears no relationship, gentlemen, to the provision of the services and the facilities of an operating harbour.

Now, that taxation—and I use that term because that is what it is—that taxation is always borne by the consumer and it is imposed on the purchasers of the products throughout the entire area that is served. As a matter of fact, there was a hint of that this morning, I believe, in the manner in which the measure was advocated. I believe it was suggested that these people living in this entire radius should be paying some of the cost of the Toronto harbour. Well, so they should in so far only as it represents services and facilities provided by the harbour and used by those who provide the other services, that is, the products.

Mr. POULIOT: Do you not think, Mr. Blackwell, that it is not rather a charge for services rendered than a tax, just the same as a power bill?

The WITNESS: Well, I would accept that description. I think I conveyed the impression of what is meant by "tax". You may call it a toll or charge but it is so much money and if you pay it it has the same result on the person who has to pay it.

Now, I feel I should be at liberty, Mr. Chairman and gentlemen—and perhaps this bears on the question of the protection that it is alleged everyone would have by the fact that orders in council are required—I would like to refer to the fact that this bill apparently received some evidence of approval that emanated from the Corporation of the City of Toronto back in Toronto.

Last Wednesday the council, that is, the Board of Control and the mayor were asked to review the bill and they undertook to do so through their legal and other experts. This hearing then it appeared would have to go on today. The matter had to be disposed of by the council. It left them in an extremely difficult and embarrassing position to be faced, without the opportunity of adequate review, with determining whether or not it should now withdraw that approval or whether it should formally continue it.

Now, at least one member of that Board of Control felt that there had not been the examination of this bill that justified the city in either approving

it or disapproving it. Now, I have the authority of the Deputy City Solicitor to make the statement I am about to make because I asked him specifically whether or not I could make the statement here—it was merely what he told me and that was that the Board of Control of the city of Toronto was not disposed to continue that approval unless and until the Harbour Commission in their representations stated to them this: "If you will approve it we will undertake with you that we will not do a single thing in relation to this freehold property that is to be brought back under the control of the harbour board without the approval of the city council of the city of Toronto to the by-law."

Now, Mr. Chairman and gentlemen, think of what that means in terms of legislation. It means that we would have a policy set down in an Act which contemplates it being implemented on the approval of the Governor General in Council but that Act cannot be administered without running to the city council to get approval of a by-law not required by the Act.

Now, I put that before you as an escape by the city of what it believed, if it had had more time for examination, was perhaps its responsibility to give this bill more thorough consideration as it affected the rights of the city itself and the rights of the citizens and persons, firms and corporations in that city for which the city has some responsibility.

Now, perhaps that might answer one of the questions that Mr. Pouliot asked me this morning: would I be prepared to have confidence in what the harbour board might do or the city council might do? And, gentlemen, what I would say on behalf of anyone whom I might at any time represent is that what I am prepared to have real confidence in is legislation, the principle and purpose of which are clear in the statute itself and which, so far as orders in council are concerned, deal only with such matters, for example, as whether tolls should be greater or less, having regard to economic conditions.

I would submit that everybody would know where he was and would have more confidence in the measure if the people who are acting for it would come forward and say clearly to parliament: these are the things we want to do; instead of coming forward with a great number of things which have infinite possibilities so far as control and regulation of rates are concerned, if we prefer that term, and then leaving it to some later decision.

I would submit to you, gentlemen, that at the present time the Harbour Commission of the city of Toronto should know what it wishes to do in its perfectly reasonable objective, and should see to it that it is placed in a position to get an adequate revenue, in case there is some shift in the economics of the harbour by reason of a pipe line; and that a great part of its power to regulate and control people in relation to all business is entirely unnecessary to the attainment of the legitimate objective of determining how the Harbour Commission of Toronto is to obtain adequate returns or revenue to operate the harbour.

With them we must all be in accord and I would not want the persons whom I represent, or anyone else, to feel that the Harbour Commission of Toronto, or any other harbour commission, should be left in the hopeless position where they cannot do the job they are expected to do by the people who are concerned in the operation of the harbour.

Therefore, gentlemen, I would conclude with this rather simple proposition: instead of having possibly a club held over our heads, let the Harbour Commission of the city of Toronto come forward and, in relation to their reasonable expectations of what their problem is, say what it is that they want to control, say within reasonable limits what they wish to control, and say what reasonable rates they wish to impose for that purpose.

There was a loose expression used this morning to the effect that the oil companies have a mile of dockage. I think the actual figure of which you have heard is \$147,000 and there are 11 miles of other dockage on which

revenue is only slightly more than \$147,000 or whatever is required to bring the total up to \$343,000. So I would like to invite the Harbour Commission to approach it in the way of doing the job that is necessary. What are the steps to be remedied, and what are the purposes to be served by public legislation which I feel would fall far short of the rather extraordinary powers which the scope of this bill asks for. Thank you!

By Hon. Mr. Chevrier:

Q. Might I be allowed to ask the witness one or two questions. Some reference was made to delay in the legislation and the fact that very little time was given to the Board of Control of the city of Toronto to give this legislation the required attention. I think you made reference to that in your closing remarks of a moment ago, did you not?—A. I do not think that is what I intended to say. I said that I felt that the approval to the bill was given by the city council away back last April, and that as recently as last Wednesday the time for representations was made known; and that our council thought it need not reconsider it by reason of the committee having to meet today, which was something we did not know.

I have not the slightest suggestion of raising an inference that there was any hurry or anything of that sort in relation to the legislation itself. I was referring purely to the time available to the city council of the city of Toronto from Wednesday last when we made our representations to them.

Q. What I was coming to was this: you made certain representations to the Board of Control of the city of Toronto last week?—A. That is right.

Q. And I presume those representations were along the line which you have made today.—A. Except they were much briefer.

Q. And I understand that you took into consideration in your deliberations and gave consideration to whether or not it would object to this legislation since then? Is it not a fact that the board has met and decided that it will not oppose this legislation and stated that it is good legislation in so far as the city of Toronto is concerned?—A. I would not agree with all of that. I would agree with exactly one-half of that statement; that is, whether under the situation in which they found themselves the city council could not take the position that they would withdraw approval of that legislation. I would say most emphatically, on the other side of the picture, that the city council were at first disposed to come here and to do that very thing. But upon the assertion of the Harbour Commission that they would run to them for approval of every single bill in relation to every single thing that was to be done on that freehold area, the city council felt that, without having the time to give the bill the examination which was justified, they felt no responsibility to withhold their approval of the bill, or reserve it. I think that is the exact situation.

Q. I have a note here which appeared in the *Globe and Mail* and if I am incorrect, I am sure you will correct me. It is entitled "Board decides not to interfere on harbor bill". It reads as follows:

Board of control decided yesterday not to interfere with the passage of federal legislation giving the Toronto Harbour Commission regulatory powers over pipe lines that may be built in the waterfront area.

I do not want to read the whole article, but I shall read the last paragraph of it:

Mayor McCallum stressed that Deputy City Solicitor Kent had reported it was in the city's interest to support the bill. 'Both Ottawa and Toronto have a big stake in the waterfront and I don't think anything should be done to jeopardize our chances of getting our money back,' he declared.

I quote that for what it is worth.

—A. May I quote what appeared in the *Star*?

Q. I have no objection.

The CHAIRMAN: As a matter of fact, we have these newspaper reports, but we have no official letter from the city of Toronto or the city solicitor.

The WITNESS: That is quite true. So that is why I want to read to you what appeared in the *Star*. It reads as follows:

If the harbour commission bill which goes before the railway committee of the House of Commons tomorrow is adopted by parliament, the commission would have power to levy a toll on all trucks using Lake Shore Blvd., Palmer Kent, deputy city solicitor, said today.

I cannot be fairer or plainer than to say this: that Mr. Kent told me—and I would not represent it here otherwise unless it was so—and there are others present who can verify that discussion—Mr. Kent said that the city council was not disposed to give its approval to this bill until the Harbour Commission came forward and said: we absolve you of all responsibility because we will not do anything without your particular approval at the time anyway. That was the basis upon which the city council finally felt that it could not withdraw its position with respect to the bill.

Hon. Mr. CHEVRIER: Might I ask a further question on the point which was raised in the article? Are you objecting to the charge of a toll in the harbour of the city of Toronto for the movement of oil in a pipe line? Perhaps I could put it a little more clearly: Is there any reason why the Toronto Harbour Commission or any other harbour commission should not collect a toll for the movement of oil through property over which it has jurisdiction?

The WITNESS: Mr. Chairman, I do not know that I am competent to answer that question. I am not representing any pipe line interests or any pipe line company here today.

Hon. Mr. CHEVRIER: I understood you were acting for Imperial Oil, the B-A Oil Company and the Shell Oil Company who I take it are responsible for the trans-northern pipe line.

The WITNESS: Yes, but, Mr. Chairman, it is also definitely stated that representations were to be made by Mr. Pratt as representing the pipe line companies. I may say that I have no authority to discuss that question, I have authority only to speak for those companies whom I represent.

Mr. POULIOT: May I ask Mr. Blackwell if he has been given any power of attorney from the board of control or city council of the city of Toronto to oppose this bill here?

The WITNESS: I have no authority from the city council, but the matter stands for city council approval, it stands in the terms I mentioned. I wish the Committee to understand the atmosphere in which that approval was given. I have no authority to represent the city.

You, Mr. Chairman, and the honourable the minister were good enough to ask that I say another word. I have the obligation now of making some reference to the Consumers' Gas Company because its situation is completely on all fours with that of the oil companies. One of the distinctions is that the gas company as some of you well know is a statutory company incorporated by Act of the Ontario legislature. Generally speaking, its structure contemplates this, that the dividend rate on its shares be limited to 10 per cent on the capital stock and that out of any profits it has after making provision for replacements and extensions and so on, as provided by the Act, the surplus revenues must be used for the purpose of reducing rates on gas consumption for the benefit of consumers. I do not want to leave the committee with a misleading picture of what that 10 per cent means. The last subscription for stock in the gas company, which was a tremendous block of shares, was made some 20 or 25

years ago and the shares sold at \$202.00 per share, which meant that the net amount actually received by the shareholders at that time was, instead of 10 per cent, somewhat less than 5 per cent per share; but the actual investment that was actually received by the treasury of the company was considerably less. A number of years ago the gas company reduced this 10 per cent statutory dividend to 8 per cent. That left the actual dividend that the shareholders whom I mentioned actually received at somewhat less than 4 per cent. Now, the gas company is further subject to corporation taxes, the same as any other corporation, on its profits. It is also subject to assessment and rating for municipal taxes in the city of Toronto, and included in its liabilities for assessment and rating is, I am sure, an aspect which the citizens of Toronto do not appreciate, and that is that in addition to the land and the plant they are being assessed and rated on the whole system of gas mains which lies in the ground and convey gas throughout the city of Toronto; that is assessed and rated at real property, and there are many millions of dollars of assessment on that alone. Now, in relation to that, if a further toll or rate is to be imposed, not only on the pipe lines for gas coming in, brought in with the object of making available cheaper natural gas for the citizens—if tolls are put on that—that is just additional taxation. Also, if within the harbour property you would have a net work of local pipe which may be required to start to get it back out again to the city mains, if that is to be assessed and rated as real property and also subjected to tolls, then it is another operating entity in preventing a further rise in gas rates, or lowering in gas rates under the statute. I thought it would be right to make that special case relating to the Consumers' Gas Company of Toronto known to the committee.

Mr. POULIOT: Mr. Chairman, as Mr. Blackwell has stated that he had no authority to speak on behalf of the city council of Toronto or the board of control of the city of Toronto would you please make a call to ascertain whether there is anyone here duly accredited to represent the board of control or the city council of the city of Toronto?

The CHAIRMAN: I understand that there is no one here; if there is, I wish they would so state. I might add that there is no communication here from the city of Toronto or from the Toronto solicitor's department.

Mr. POULIOT: He says that they agreed.

Mr. NOSEWORTHY: I understand, Mr. Chairman, that there is no request from the mayor or the city council that they should be heard on this bill?

The CHAIRMAN: There is nothing here to that effect. According to the newspaper report the council has had the matter before it. Whatever conversation Mr. Blackwell may have had or whatever statement he may have made is simply his point of view, it is not official.

The WITNESS: That is right.

Mr. POULIOT: If I understand it correctly, Mr. Chairman, this measure is for the benefit of the Toronto Harbour Commission, and if I am not mistaken Mr. Blackwell's suggestion was to tie up the Toronto Harbour Commission with the approval of city council instead of by reference to order in council.

The WITNESS: No, no; I made no such suggestion. It was an unofficial approval that would be required before application for an order in council would be proceeded with. I made no such suggestion and I did not intend to make any such suggestion that the city should in any way dispose of the matter without getting the order in council.

Mr. MURRAY: Are there not members here representing the city of Toronto who could give us a little light on this matter? After all, we come from some very distant parts of the country.

Hon. Mr. CHEVRIER: Mr. Murray, on that point I think I should say that I should refer to what Mr. Robertson has already explained; that there are

three members of the Toronto Harbour Commission who are appointed by the city of Toronto, and I assume that they discuss this matter with the city authorities.

Mr. JOHNSTON: May I suggest to you, Mr. Chairman, the statement which Mr. Blackwell has made in reference to the city council seems to me to be extremely important particularly as it applies to the application of this bill once it is passed. Now, I believe it would be within the power of this committee to call representatives of the city council of Toronto and have that statement which Mr. Blackwell has just made verified or disqualified, as the case may be. It seems to me to be so important that we should consider that point in view of the effect that if we do pass this legislation that does not mean to say, if I understand Mr. Blackwell correctly, that it will be implemented in the terms so stated in the Act, but that there will be a permission obtained from the board before they will implement the section. That seems to me to be a very, very serious implication and I would suggest to you, Mr. Chairman, that you do order somebody from the city of Toronto to come and either verify, or otherwise, the statements made by Mr. Blackwell.

Hon. Mr. CHEVRIER: May I say in answer that this bill has been on the order paper now for almost a year. I tabled this bill in June of last session. The counsel tells me that I am in error in making that statement, but I had been under the impression that the bill was on the order paper at the last session.

Mr. GREEN: June of this year, was it not, Mr. Minister?

Hon. Mr. CHEVRIER: Yes, June of this year; it was at the last session. I do not think there is any doubt but that this bill was on the order paper in June last, at the last session of parliament. The bill was there in the same phraseology as it is now for everyone to see, for the Toronto City Council to see, certainly for the Toronto members to see, and I do not think anybody has been prejudiced thereby. I would be the first to acquiesce to your request if I felt that any undue delay had occurred. That was my object in asking the question of Mr. Blackwell a moment ago, but I do not think that can be said. It is not as if the bill was introduced at this session and someone had been taken by surprise. That is not the case because it was introduced in June of this year, at the last session, and certainly no one has been taken by surprise.

Mr. POULIOT: Mr. Minister, they knew about it because they discussed it at the Board of Control; the first meeting took place on October 12, more than a month ago, and the bill was available to them then.

Mr. JOHNSTON: That is not my point at all. I quite agree with the minister that the bill was available and probably the city of Toronto should have been aware of it if they were not. I have no doubt that they were aware of the bill, but the very fact that Mr. Blackwell has made the statement that the city of Toronto was not worried about it because the Harbour Commissioners would not implement any section of it without the sanction of the city council seems to me extremely important, and because of that, if such an agreement has been made between the Harbour Commission and the city of Toronto, I think we should have evidence to that effect. It may not influence the committee one way or the other, but certainly that statement should be verified before this committee by a responsible authority.

Mr. FERGUSON: The city council of Toronto may have been negligent in taking the stand that some of you might expect them to take from what I have heard here. The mere fact that some Toronto members have not voiced their opinions has no real bearing on the fact that this bill was brought before the House of Commons, and if Mr. Blackwell enlightens this committee to the extent that there are certain aspects of it which should be studied, irrespective of the fact that the Toronto members have not taken strenuous objections one

way or the other, for or against, or the city council is not represented here today, we as members of this committee must consider what Mr. Blackwell has said and, I believe, go into it very thoroughly. Although I am not a Toronto member—I live in a beautiful part some ninety miles from there—but I am still on this committee, and from what Mr. Blackwell said I think it is quite clear that this matter deserves a great deal of consideration in spite of what the Board of Control may be doing in Toronto. Unfortunately, I have seen boards of control that have a few useless members on them and things were passed and the taxpayers paid through the nose—

The CHAIRMAN: I wish the member would confine his remarks—

Mr. FERGUSON: —to the amendment?

The CHAIRMAN: Yes. Thank you very much.

Mr. FERGUSON: Irrespective of what part of Canada we come from, there are citizens in that community that we must consider.

Mr. POULIOT: I want to make matters clear, Mr. Chairman, and if I asked questions when Mr. Blackwell was a witness it was because I was listening attentively to him.

Mr. ROONEY: Mr. Chairman, we from the city of Toronto have been accused by my good friend Mr. Murray of not fighting for the city of Toronto.

Mr. MURRAY: By no means.

Mr. ROONEY: Here is the answer. I know practically all this land; it is in my riding. I know, because I have studied this matter. I know that it came up way back last April in the city council. I know that three of the harbour commissioners are appointed by the city, and naturally knew they were going to ask and take up with the city what they proposed to do. I also know that there were two harbour commissioners appointed by the dominion government, one on the recommendation of the Toronto Board of Trade, which represents the whole city of Toronto. Now, the one who was appointed on the recommendation of the Board of Trade, I would say, would naturally take up the matter with the different officers of the Board of Trade before any movement was made in this matter. I noticed that David Croll, who takes in the other side of the water, was sitting in here quite a bit today. He takes in the island, although we connect up there. Now, he had no objection, and I know David Croll well enough that if he had any objections he would have been on his feet here fighting in this matter. I want Mr. Murray to know that I am aware of every move that this Harbour Commission has made. I live at the Royal York, which is right down close to the harbour, and I visit the harbour practically two or three times a week when I am there. I live near it all summer. I know where all this land is in Keating and the shipbuilding section; we have no objection to this, and I have received no objection which I would have had from any person who was objecting to it. As for Mr. Blackwell's statement about the city council, that was taken up sometime last April. They had all this time. Now, suppose it comes up two or three days before their last meeting, that is possibly a serious matter, but the Consumers Gas Company and others—if they had any objections—had all summer to make those objections and not leave it till the last minute when they are all looking for votes in the municipal election. Now, I do not want to take up any time because my friend the chairman said he did not want any speech from me—that is one of the reasons I did not talk more today—but I want to impress this committee that we in the city of Toronto, and I represent this centre, are one hundred per cent back of this request.

The CHAIRMAN: Before the discussion goes on any further, I had the clerk check at the post office. There is no communication there to the committee from the city council of Toronto, from the city clerk; but, on the other hand,

someone has just handed me this letter from the Board of Control, Toronto, to Mr. E. B. Griffith, acting general manager, Toronto Harbour Commissioners. The date is November 12, 1951.

Dear Sir:

The Board of Control on November 12, 1951 conferred with the Deputy City Solicitor and representatives of the Toronto Harbour Commissioners in reference to the matter of Bill No. 9, an Act respecting the Toronto Harbour Commissioners, which has received two readings in the House of Commons and is at present before the appropriate Parliamentary Committee; the application of the Commissioners for the proposed legislation having received the approval of the City Council on May 1, 1951.

Upon being assured that the Chairman of the Toronto Harbour Commissioners had agreed that any by-laws, which are passed by the Commissioners under the proposed legislation and which will affect lands or the City's jurisdiction in any way, will be submitted to the City Council, the Board decided to take no further action in the matter.

Yours truly,

(sgd) G. Weale,
City Clerk.

I think that answers Mr. Johnston's point.

Mr. ROONEY: The point I wanted to bring out is that this commission serves without any remuneration. The members do not receive any pay for their job. They are citizens who offer their time for the benefit of the city of Toronto.

The CHAIRMAN: Thank you. I think we can proceed then, with your consent—

Mr. NOSEWORTHY: Mr. Chairman, I think the committee would be well warranted in going ahead with this bill in view of the fact that there has been no official word from the board of control, the mayor, or the council of the city of Toronto, in opposition to it.

My understanding is that there was never consideration of opposition until representation was made to the members of the board of control on the part of the oil companies. I am quite confident that if the members of the city council or the board of trade thought that this bill should be held up in committee there would have been communication from them to us before now.

I fail to see why the Board of Harbour Commissioners should not be in a position to tax any oil company that is using the facilities of that harbour for which the citizens of Toronto contribute—for the acquisition, and the maintenance of which they pay. I would certainly rather trust the fortunes of the people of Toronto, and even those who live outside of Toronto to whom Mr. Blackwell refers, to the good judgment of the council of the city of Toronto and the Harbour Board than to any oil company that is likely to use the facilities of the Harbour Commissioners.

As far as the Consumers' Gas Company of Toronto is concerned, the mayor of the city is a member of the Board, and I am quite sure that there will be no effort made by the representatives of the city on that board to unduly increase the cost of gas to the citizens of Toronto in order that the Harbour Commission may secure greater taxation or a greater levy from the oil companies.

This bill, as the chairman and the minister have indicated, has been before us for a month. The city council has had an opportunity of studying it and the first opposition we find to this bill is expressed in a Toronto paper following representations made by the oil companies before the board of trade.

I would certainly favour proceeding with the bill.

The CHAIRMAN: I would call on the solicitor for the Imperial Oil at this point. I think this committee has always been very fair in its attitude towards those who wish to make representations. Mr. Kilgour wishes to have five minutes and I think there are only one or two others to speak.

Mr. H. W. D. Kilgour, Counsel for Imperial Oil Company Limited, called:

The WITNESS: I will be very brief. I want first of all to say that I do endorse what has been said by Mr. Pratt representing Trans Northern Pipe Lines Company, and Mr. Blackwell speaking for all the companies. The only reason I want to take a minute of your time is that Imperial Oil, for whom I am appearing, is in a slightly different position in that we are in the process of constructing a products pipe line from Sarnia to Toronto, and that is a pipe line not within the Pipe Lines Act of the government of Canada.

It has been suggested today, I think, that an amendment be proposed which would allow "notwithstanding any other Act" being changed to "subject to the Pipe Lines Act". That of course does not affect us. The reason is that in building our pipe line we are not subject to the Pipe Lines Act.

We simply object to the bestowal of the power on the Harbour Commissioners to prohibit construction of our pipe line.

As far as an oil company carrying out a marketing operation is concerned we are in exactly the position outlined by Mr. Blackwell. We hold in Toronto five pieces of property, two of which we own. I cannot tell you when we acquired them but three of them we lease. I would like to say, with reference to Mr. Robertson's statement, that they have leased property under perpetual leases in some cases, as far as my company is concerned our leases mature—one next February, one in a year from April, and one in April of 1954. There is no doubt that the Harbour Commissioners will adjust their rent according to their revenue needs. We have had indications of that already.

I think that is all I have to say but if there are any questions which I can answer I will be pleased to do so.

Mr. MURRAY: Might I ask the witness if in the Vancouver harbour they have very large interests? What is the situation with respect to wharfage and so forth?

The WITNESS: I am sorry, I am not familiar with the Vancouver operation and I cannot say at all.

Mr. MURRAY: Imperial Oil have the largest refinery in Canada there.

The WITNESS: It may be the largest refinery in British Columbia.

The CHAIRMAN: I think that is interesting information but we are dealing with Toronto. Are there any other questions?

By Mr. Green:

Q. Mr. Kilgour, if you do not come under the Pipe Lines Act in respect of this particular line from Sarnia to Toronto, in what way do you get the right to lay your pipe line on the property of the Toronto Harbour Commissioners?—

A. If we go on the property of the Toronto Harbour Commissioners it would be simply with their permission. We would either have to take an easement from them, or rent their land, or put it on land we already own. Of course, if we already owned the land under the Act as it is now we can build our pipe line subject to the specifications of the engineer of the city of Toronto. In so far as we have to lease land or acquire easements we have to approach the Harbour Commissioners and work out whatever agreement we can.

Q. You have acquired rights all the way from Sarnia to Toronto?—A. Entirely, yes. We have no power of expropriation for the construction of this pipe line and it has been simply by acquiring rights of way from all the land owners from Sarnia to Toronto.

The CHAIRMAN: If there are no other questions we might hear Mr. Hughes of British American Oil Company.

Mr. NOSEWORTHY: I would like to ask the last witness a question. To what extent is it absolutely necessary that these oil companies piping oil should use the property of the Harbour Commissioners? Is there any special advantage to them doing that? Or is it possible that if the Harbour Commission taxed them too heavily they could boycott that property?

The WITNESS: Well, if I may answer that question—the reason we are bringing the pipe line into the Harbour Commissioners' property or into that general area is that, as you know, all the oil companies have sizeable tank farms in that area from which they trans-ship, usually by tank wagon or tank car to carry out their distributing operation. Speaking of my own company, we have an investment, not counting land and not depreciated, of almost \$2 million. We are fairly well tied into our property.

Mr. NOSEWORTHY: Mr. Blackwell mentioned the fact that Oakville, for instance, would be affected by any tax levied on that oil by the Toronto Harbour Commission and the people of Highland Creek where the oil companies now have storage facilities. Is it absolutely necessary that they should have to use the facilities of the Harbour Commission to get oil?

The CHAIRMAN: That is not a question, I think, that Mr. Kilgour should be expected to answer; that is a question for Mr. Blackwell, isn't it? He is with another company.

The WITNESS: I think I should say that you have to have a terminus for the pipe line and it is logical and economical to terminate the line where your storage tanks already are or else construct new tanks in another location. As I say, all the oil companies, I think, have storage tanks in this location.

By Mr. Robinson:

Q. Has the Imperial Oil any storage within the limits of the harbour as defined in this Act?—A. Yes, we have two parcels.

Q. In your opinion would the passage of section 2 create any cloud on your title?—A. I do not know what you mean by a cloud on the title. As has already been stated it would confer on the Harbour Commissioners certain jurisdictions which they presently do not have, that is, powers of prohibition—they could stop us from carrying on any aspects of our present operations.

Q. Then, it would be merely regulatory power?—A. It might be; it might be prohibitory.

Q. Then, do you subscribe to the constitutional arguments of Mr. Blackwell on that?—A. I think any lawyer would.

Q. Then, if you subscribe to the constitutional argument do you not think there would be a cloud created on the title?—A. Well, I do not know what you mean by if I subscribe to the constitutional argument. I simply say if there is any constitutional question and it is already against the bill, well naturally I ascribe to it.

The CHAIRMAN: Well, thank you very much, Mr. Kilgour. We will hear Mr. Hughes now of the British American Oil Company if it is your pleasure.

R. T. Hughes, Counsel for British American Oil Company, called:

The WITNESS: Mr. Chairman and Mr. Minister, I also endorse Mr. Blackwell's remarks and those of Mr. Pratt with regard to the points and aspects of this bill which they raised. I do not wish to add materially to what Mr. Blackwell has said other than to deal with one aspect of section 3 which he has passed over without elaborating on, although Mr. Green dealt with it in speaking to Mr. Robertson this morning.

As Mr. Robertson has admitted that he has used very broad language in section 3 which goes greatly beyond what was intended or what was included in the original paragraph which, to use the latter words of it, reads:

to control and regulate or prohibit the erection of towers or poles, or the stringing of wires or use of any machinery which might affect property or business owned, controlled or operated by the corporation.

There was a limited objective in the wording of the latter part of that section.

I draw your attention to the language of the amended section which states: "notwithstanding any other Act to control, regulate or prohibit the use of any machinery, apparatus or equipment or the carrying on of any business or activity within the port and harbour of Toronto that would, in the opinion of the commissioners, affect any property or business therein or affect the rates, tolls," etc., etc.

Now, I would like to say that the British American Oil Company has a refinery and storage area on the north side of Keating street and, as Mr. Robertson this morning mentioned, some of it operates on the freehold from the city of Toronto. Some of it we obtained from the Harbour Commission, and it is our contention that they take it outside of the harbour area so far as regulation and control is concerned.

Now, for forty-one years we have operated a refinery and a storage area there. We have erected it and operated it pursuant to the by-laws of the city of Toronto and those relevant Acts of the province of Ontario governing the storage of inflammable liquids. Is it the intention of the dominion parliament or has it the competency to enact and say that we will operate in future under another body who may make any regulations contrary to those imposed by the province of Ontario and the city of Toronto? There has to be some limitation surely on the number of bodies who can be created for regulating and governing. That is the thought I have to leave with respect to that.

I think something else might just be mentioned, that within the harbour area the British American Oil Company has a service station which is owned entirely outright, the land having been purchased from the Harbour Commission—another one which is under lease from the Harbour Commission and we erected and operated those pursuant to by-laws of the city of Toronto. Are we to have another master with respect to the operation of those facilities, and are we to observe regulations there which may be contrary to those which are imposed by the city and the province? I think that warrants serious consideration.

Hon. Mr. CHEVRIER: It will be given serious consideration, sir.

The CHAIRMAN: Thank you very much.

J. H. Campbell, Counsel for Shell Oil Company of Canada, called:

The WITNESS: Mr. Chairman and gentlemen, I merely wish to say that I endorse the remarks that have been put forward by Mr. Pratt, Mr. Blackwell, Mr. Kilgour and Mr. Hughes. I do not think our own company or any of the other oil companies, expect any different treatment from anyone else in the harbour area. I think, however, that it should be pointed out that of fifteen

miles of available dockage in the harbour, the oil companies only hold one mile and out of the \$307,000 of wharfage fees that is being received by the Harbour Commission the oil companies are contributing \$140,000 or 46 per cent.

Now, nothing has been said here by the Harbour Commission as to what they intend to do with the other companies occupying lands in the harbour area in order that they should be fairly assessed for this contribution. I think, therefore, that the question lends itself to this: Is there a fair case made out by the Harbour Commission for a need for this extra money, this \$140,000 they are receiving from the oil companies? We are contributing it and are the other companies in that area being assessed? They have not mentioned that and I would like to point out that there are many companies in that area that are not bringing freight over the docks. There are ice machine companies, transport companies, even the government Liquor Control Board, I think, take up dockage there. I do not know whether it is the intention of the Harbour Commission to impose charges on transshipments of products by the transport companies. If they do I think they should indicate that, or is this purely a toll or levy against the oil companies?

Mr. Pouliot raised a question—he asked Mr. Blackwell if there was going to be uniform toll on each type of merchandise. We do not know that, Mr. Pouliot, and we do not know if there is going to be a uniform toll on types of merchandise.

Mr. POULIOT: I said respectively on different goods.

The WITNESS: But the point I make, Mr. Pouliot, is that Mr. Robertson has suggested that it is better business for the Harbour Commission that coal is brought over the docks; that fuel oil, for instance, is competing with the coal business. Now, if we can provide fuel oil at a cheaper price than coal to the persons in the area affected, therefore, that would be cutting down on the coal being brought in. Is it Mr. Robertson's intention, therefore, to assess fuel oil to such an extent that coal would again be in a competitive position? That question has not been answered, but it would be good business for them.

Mr. POULIOT: I do not oppose anyone or anything; I want you all to prosper together.

The WITNESS: That is exactly the point I make, sir. I think if there is a levy required it should be a levy on all persons using the area that is in fair proportion, not just on one group of companies.

Hon. Mr. CHEVRIER: Do you object to a toll being charged for the movement of oil into the harbour?

The WITNESS: As presently constituted over the wharfs?

Hon. Mr. CHEVRIER: Through pipe lines?

The WITNESS: I think when Mr. Benidickson was introducing that bill into the House he said that the toll was an assessment for services rendered. Now, we have no objection and have not objected to a wharfage fee because we use the wharfs. We figure it is wear and tear on the wharfs. Now, here we are going to get our products from a pipe line. What wear and tear that has on the harbour I do not know, but I do not think our case is any different from the railway companies getting their freight, say, the Canadian Pacific or Canadian National. They are using the commission property to take merchandise out by transport and they are bringing it in by rail. We are sending it out by tank car and tank truck and bringing it in by pipe lines. I cannot see the difference.

Hon. Mr. CHEVRIER: You do not object, then, to a tax on the movement of oil through pipe lines?

The WITNESS: I would like to put it this way: I do not oppose an imposition of a fair charge by the Harbour Commission for services rendered but they want—

Hon. Mr. CHEVRIER: Well, let me put it this way: you are paying us a charge in the port of Montreal now for that very thing?

The WITNESS: Yes.

Frank Turville, K.C., Toronto Counsel for the Canadian Pacific Railway, called:

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen, I promise you I will be very brief. I should hardly tell this committee that under the British North America Act the construction, maintenance and operation of railways has fallen to the jurisdiction of the parliament of Canada and parliament in its wisdom has seen fit to delegate the construction, maintenance and operation of railways to the Board of Transport Commissioners; but parliament is being asked in this bill to give powers to control, regulate and prohibit in effect the construction, maintenance and operations of railways notwithstanding any other Acts.

Now, in the last forty, fifty or sixty years before the Harbour Commission of Toronto was incorporated by the Act of 1911 the railways were operating on the waterfront and they have, subsequent to 1911, been able to work out between themselves and with the city and the harbour board a reasonable amount of getting along amongst themselves and improving the facilities on the waterfront. We consider that the railways have done a great deal to assist in the construction and the development of the waterfront. But at no time, fortunately, has that board intruded itself on the construction or the maintenance or the operation of our roads and for that we are very grateful and we hope it will continue so. But by acceding, perhaps, as we might be expected to do if we said nothing in Mr. Pouliot's words, to the passage of this Act we would be submitting ourselves to a second regulatory body and we do not consider that that is what parliament ever intended. Having vested authority once in the railway board, we believe that we should be left there so far as our operations are concerned.

I would, therefore, like to suggest for the consideration of the minister and the committee an amendment which will also be spoken to by my friend Mr. McDonald who is regional counsel for the Canadian National and is here today and is also solicitor for the Toronto Terminals Railway Company which is a company owned jointly and equally by the Canadian National and Canadian Pacific for the operation of the terminal; and I should like to draw to your attention first what is perhaps not before the members, section 21, the forefront of the section which reads:

The corporation may from time to time make by-laws—

The CHAIRMAN: Section 21 of what?

The WITNESS: I am sorry—of the Harbour of Toronto Bill of 1911, parts of which are being amended by section 3 of the bill now before you—

The corporation may from time to time make by-laws not contrary to the law nor to the provisions of this Act for the following purposes—

(c)—

And then we come to the first subsection which is proposed to be amended and is now before you. Then, there are further amendments proposed to paragraphs (e), (g), (i) and (j), and I would suggest with the approval, as I say, of my friend Mr. McDonald that there be another subsection added to section 21 to be numbered subsection 4 and to read:

No by-law made under this section shall affect the construction, maintenance or operation of any railway under the jurisdiction of the parliament of Canada.

I leave the wording with you, Mr. Minister. The effect of that would be that no matter what by-laws may be proposed by the board and submitted for orders in council, with or without consent of the city council of the city of Toronto, no such by-law could interfere with the jurisdiction to construct, maintain, and operate railways which has for many years been in the custody of the Board of Transport Commissioners. It is really something that you should be asked to regulate, control or prohibit the operation of railways of the magnitude that we have developed in the Toronto area.

For the benefit of those of you who have not had the privilege of viewing our waterfront from the heights of the Royal York Hotel, the southern exposure, I have brought with me a couple of photographs showing the view as seen by one looking west, and by one looking east. I think they show the magnitude of the operations in the Toronto section and I would suggest that they be passed around. There are hundreds of miles of track. Fortunately for us we have so far only been under the jurisdiction of one board and we are asking that we be left there. Thank you very much.

The CHAIRMAN: Thank you.

Mr. McDonald wishes to say a few words.

Mr. A. D. MacDonald, K.C., representing C.N.R. and Toronto Terminals Railway, called:

The WITNESS: Mr. Chairman and gentlemen, Mr. Turville has covered the matter very satisfactorily and it is just a question of jurisdiction, so far as we are concerned. We want the jurisdiction and the regulations concerning construction, maintenance and operation of railways to be left under the Railway Act, subject to the Board of Transport Commissioners, so that there is no effect on any by-laws which may be passed by the Toronto Harbour Commissioners. Mr. Robertson said there was no intention of the commission to interfere with railways; but we would like to make it clear, so that this matter may not come up, let us say, in another ten years, when there might be a change of personnel, when there might be a new board of commissioners. So we would like to have it clarified now by having that saving clause in the Act. I thank you.

The CHAIRMAN: Thank you. I think at this point it probably would be fair to hear Mr. Robertson again briefly. A good many questions have come up, and Mr. Robertson represents the Harbour Commission. So I think it would be in order for us to hear from him for a few minutes.

Mr. Norman Robertson, K.C., Counsel for Toronto Harbour Commissioners, re-called:

The WITNESS: Thank you, Mr. Chairman. Let me deal with any doubtful matters about our relationship to the city of Toronto first. I told you this morning—but perhaps the gentlemen who have opposed this bill did not hear me—that we have three members of our commission who are nominees and appointees of the city of Toronto. As a matter of fact, as to the city's consent, it was given last May. But Mr. Blackwell did not tell you whether he stirred up trouble and a mare's nest within the last few days; nor did he tell you whether he had or had not approached the province and raised the dust on that constitutional question. Perhaps he will. I leave it with you that way.

As a matter of fact, the city of Toronto consented to this bill in this form last May. We heard from the city the middle of last week. But last night at

10.00 o'clock—upon what inspiration I do not know—a controller proposed a resolution in council—last night at 10.00 o'clock—asking that this committee postpone the matter. No notice of the resolution of any kind had been given. I was surprised when I heard about it. The mayor, of necessity under the code of the city of Toronto, had to suspend the rules in order to have it considered. So there was a motion to suspend the rules for that purpose and what happened? The motion was lost. That is the latest information on the city.

Let us now go back in time, historically. Yesterday noon the Board of Control met and considered the matter again at the instance of the same controller. They took a vote with the members all present—and perhaps the reporter who wrote the report which the hon. minister read—and the Board of Control voted not to disturb their consent of last May. That, surely, should dispose of that.

Now, in connection with representations made by the last two gentlemen, if I may be permitted to start at the back and come forward. I have spoken with the consultant and with the general manager, but I did not see the chairman here. So subject to their confirmation I say that we have no objection to the kind of text which Mr. Turville has suggested because we do not want—and never did want—to get any control over the railways in any way, shape or form. And it may be of interest to this committee to know that the Harbour Commission, under subsection (c), the one we are amending, has the right to build railways; and we have built 30 miles of railway, which Mr. Turville's and Mr. McDonald's companies operate, while we pay for the upkeep. The fact is that there is no mystery about it. It is just common ordinary development. When we built the harbour and made the land, we had to have railways to get people to come in. The railways, perhaps particularly the Canadian Pacific, have to make money. They could not pay for the development of railways, so we put them in. That is the story about the railways subject to confirmation and approval from client. And expressing the opinions given to me by the general manager and the consultant, I think we can vote for Mr. Turville's suggestion. We do not want to monkey with the railways at all.

Now, as to the pipe line, we would have no objection to putting it in, in the appropriate place, notwithstanding any other statute in respect to the pipe line. Please understand us. We want the pipe line in. But it has been suggested that it would be an unconscionable thing that a shipper should be asked to pay a put-through charge because that shipper was not putting it over the dock. But let me say that the shipper is having it put on land which is held in by the dock which we built and filled in. Moreover, that shipper is in the centre of a market which we made. So I think it is only fair. It is not a tax. It is a put-through.

I tried to explain what we are trying to do. It is no different from what they are subject to in the city of Toronto and in every other community that you gentlemen may come from. In every city, such as Vancouver or Simcoe, you have municipal power and municipal legislation for the general benefit of the community. That power always involves the power to zone into areas. You may say that you shall not put a soap factory here, or something else there. This legislation is not mixing in different kinds of control. This is a control exercised by the city of Toronto and by the dominion through five commissioners, their nominees, their constituents, who are responsible to them. So all this talk you have heard here about piling one control upon another is pure poppycock. What is happening is: we are working under changing conditions; and the kind of power that the municipality has is that of passing a by-law to put some kind of control on everybody.

And then there is some suggestion—and I am surprised at the timorousness of some of my friends—that there might be one law for the Medes and another for the Persians; that there might be a different tax on different commodities; that we might tax the Shell Oil Company more than we tax the Imperial Oil

Company. After all, the commission has existed for 40 years. Has there been any suggestion before my friend started to talk that we would deal with them otherwise than honestly? There is a suggestion from them that giving this commission this power is like giving a very large fire-cracker to a small child. But this is a mature commission. Surely they are to be trusted.

Now, Mr. Blackwell in his presentation to you, raised the issue of constitutional difficulties. He raises the issue: no consent by statute. But we have the letter. We have the letter. I did not want to interrupt him. I am sorry that I allowed him to waste so much of your time; but we as a creature of the city and of this body must come to the city before we pass a general by-law. For example, we cannot pass a by-law which will set a speed limit on the harbour area because we have a Lake Shore Road there. The Commission is a creature of the crown and city to which is especially delegated the administration of the harbour.

Let me deal with one other point raised by Mr. Blackwell. He had a lot to say about the width of our powers. I indicated to you this morning that there was a need for those powers and he told us that he acted for McColl-Frontenac and for Consumers Gas. Let me begin with the Consumers Gas situation. Now, the Consumers Gas have their pipe line coming in through harbour property and it exposes them to this terrible jurisdiction, yet the Consumer Gas Company has no distribution plant at the harbour and it has no distribution plant within the harbour area except the gas mains coming from its manufacturing plant, coming down to serve people in the harbour area. So, if they come through our area and thereby subject themselves to this, it is their own fault because they have no distribution plant and they have no storage plant, and they have no gasoline within the harbour area.

By Mr. Green:

Q. What about bringing in a natural gas line?—A. That is what I am saying, Mr. Green. I am going to show you a map in a minute and I will just use it to show you where the harbour begins. You will remember three sets of coloured lines which I showed you this morning, the company is north of the most northerly of the three lines, it is not within the harbour area at all. There is the gas plant, the gasolier, it is a large gasolier and it is north of the extension Front street west to Bathurst street. So that in so far as this gas company being without a gas pipe line goes, they may bring it through our property, it may be convenient for them to do that, but if they do so they will bring it of their own volition and not because they are established in the area as in the case of the oil companies. Does that answer your question, sir—about the gas company?

Q. What I understood was this, that if natural gas is brought into Toronto it would probably come through the harbour commission property.—A. It might as a matter of economic expediency, come across the Lake Shore road and in that way we might have to handle it; it might be convenient for them to bring it in along the sand beach then. I am just reminded—this does not change my statement—that they have purchased land on the harbour front. My statement is still there, that none of their storage plants, what they have now, would be affected; the only thing that would be affected would be such gas pipe as they might use to bring their gas back in to serve installations in that area.

Mr. Blackwell had a great deal to say and was scandalized by the width of the powers we sought in order that the harbour commission might have the powers necessary to pass by-laws. He did not emphasize, as I tried to do this morning, the fact that we must get the approval of the Governor in Council. Now, those powers are wide, but they need to be wide; they need to be wide in connection with Mr. Blackwell's plants—McColl Frontenac, B.A. Oil and Shell Oil. I hold in my hand here a map and you will see some red dots on it.

Those red dots are man holes which lie between the land of the B.A. Oil Company and the north side of King street; and there are man holes there back of their property on the south side of Keating Street; and it may interest you to know that each of these red dots represent man holes that are on city sewers. Now, there are one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen of these man holes. Now, these man holes were pumped 22 times by the B.A. Oil Company in the month of October; and the recovery is oil that the B.A. Oil Company pumps out which some other oil company allowed to escape into the ground and to get into the sewers. Don't we need power to stop that kind of a fire hazard? On the first of November they were pumped; on the second of November they were pumped; on the sixth of November they were pumped; on the ninth of November and on the tenth of November—and that was just two days ago. They are pumping oil out of the man holes in the harbour area. That is the B.A. Oil Company. Now we come here (indicating); here is the Shell Oil Company. There is their property. There is Commissioner Street. Imperial are over here, Dominion Tire are here. I don't know whose oil it is but I do know that their clients are in the oil business. There are the man holes, numbers 39, 40, 41, 42, 43, 44 and 45. They were all pumped out on October 26 and on November 2.

By Mr. McGregor:

Q. What do you mean by man holes?—A. The man hole that goes down into the sewer, it is a sewer man hole.

Q. How does it get into the sewer man hole?—A. You would have to ask somebody else, not me. I think I have an idea of how it gets there, but I could not prove it.

Q. The sewers were not properly constructed or it would not be in there.—A. Well, it gets there from some place.

Q. It is very poor sewer construction.—A. That could be, that could be. Now, let us go on to our friends, McColl-Frontenac, let us look at this map in respect to the McColl-Frontenac property. Here is Commissioner Street. Here is the ship channel. McColl-Frontenac has 1,082 ft. of dock front. Now, they were pumped out by the McColl Company twice a week—I haven't got the dates on this one.

By Mr. Green:

Q. Mr. Robertson, you can control that now under the present subsection 2?—A. Perhaps I can.

Q. I beg your pardon?—A. Perhaps I can, but that is the kind of thing that we want fairly wide powers for.

Q. You have wide enough powers now to cover that.—A. "Property or business owned, controlled or operated by the corporation?"

Q. Yes, you have it right now in the present subsection or clause (c); "to construct, regulate, operate and maintain railways, elevators, pipes, conduits, or other works or appliances—or the stringing of wires or use of any machinery"—A. "On property owned, controlled or operated by the corporation."

Q. —By the corporation, yes.—A. You see, Mr. Green, what we want is a kind of general zoning power or what a municipality has and we want to be able to exercise it in the same way.

Q. A zoning power is quite different from taking the power to levy rates to replace revenue which you are going to lose?—A. That is right. And now, another thing that I want to speak of: Mr. Blackwell referred to the fact that we had sold this land and we made a bad bargain when we sold it and that now we wanted to get it back under this Act. Again I give you the analogy

of a municipality which takes lands for taxes and it sells them, but by selling the land it owns it does not give up its jurisdiction to pass by-laws for zoning.

I don't think I have very much more to say, gentlemen. There was some suggestion that we had not given Mr. Pratt a clear answer, or understanding of our position in connection with pipe lines. Our answer is quite clear, we want to get the pipe lines in. We don't want to interfere with them in any way, in shape or form. We want them to come in; but we want only the right to place on the pipe line, subject to the approval of Mr. Chevrier and his colleagues in council, a rate in the form of a put-through charge on oil coming through in the pipe line which will replace what we lose in harbour tolls, on the oil coming into the area that we built with the citizens' money.

I thank you very much for your indulgence.

If there are any questions, Mr. Chairman?

The CHAIRMAN: All right, Mr. Robertson. Are there any questions? If not, we will proceed with the bill.

Clause 1, shall clause 1 carry?

1. This Act may be cited as *The Toronto Harbour Commissioners Act, 1951*.

Carried.

The CHAIRMAN: Clause 2:

2. The northerly boundary of the port and harbour of Toronto, referred to in section five of *The Toronto Harbour Commissioners' Act, 1911*, chapter twenty-six of the statutes of 1911, is hereby declared to be the boundary line more particularly described in the Schedule to this Act.

By Mr. Green:

Q. There is a question on clause 2. There seems to be a difference of opinion as to whether the Toronto Harbour Commission are going to take in new land. Mr. Blackwell said that there are areas being included in this new definition which were not under the jurisdiction of the Harbour Commission before.

Mr. ROBERTSON: I do not think that is true, but if any members of the committee have any concern or worry over that line you can strike that section from the bill because it is only an expedient line and we will still retain more jurisdiction than we will have if you pass the bill. I am quite content to have it stricken out.

The CHAIRMAN: Shall clause two carry?

Carried.

Clause three:

3. (1) Paragraph (c) of subsection one of section twenty-one of the said Act is repealed and the following substituted therefor:

(c) To construct, regulate, operate and maintain railways, elevators, pipes, conduits or other works or appliances, within the port and harbour of Toronto and to control, regulate or prohibit the erection of towers or poles or the stringing of wires or, notwithstanding any other Act, the construction or use of pipes or pipe lines for the transportation of oil, gas or other liquid or gaseous hydrocarbon, or the use of any machinery, apparatus or equipment or the carrying on of any business or activity within the port and harbour of Toronto that would, in the opinion of the commissioners, affect any property or business therein or affect the rates, tolls, charges, income or revenues of the Corporation;

Mr. GREEN: On clause 3—I do not think that should be carried in the way it stands now; certainly this question about the Pipe Lines Act must be dealt with.

The CHAIRMAN: We have an amendment on that.

Mr. GREEN: What worries me is the effect that a clause of this kind is going to have in the other harbours of Canada. What happens in the Toronto harbour is the business of the Toronto people provided it does not affect harbours all over Canada. It seems to me that the way this clause is worded now it is too wide to meet the situation, for example, in Vancouver harbour, and perhaps that clause could be allowed to stand today and the departmental counsel could give same consideration to amending it, because if it were simply an extension of the present clause (c), which is found on the opposite page, I do not think there could be much objection. For example, if it were worded to cover zoning and matters of that kind, I think that seems reasonable to me, but it goes very much farther and says if you are carrying on a business that the harbour commissioners do not like, then you could be put out of business—you find it right there, “in the opinion of the commissioners”—there is no appeal to the courts; it rests entirely with the commissioners, and I do not think that is sound legislation. I would suggest that the department give further consideration to that particular question and in particular having in mind the effect that it may have in the other harbours of Canada.

Hon. Mr. CHEVRIER: Mr. Chairman, with reference to the point raised by Mr. Green, I did indicate earlier in the examination of witnesses that I thought this legislation should be made subject to the Pipe Lines Act. On that point there cannot be, I do not think, any doubt, and I feel that that amendment should be made, and the chairman has in his hands an amendment. On the other point I do not feel as Mr. Green does because the other main harbours in Canada, the harbours in Vancouver, Montreal, Saint John, New Brunswick, and Halifax are under the National Harbours Board, and the legislation was passed years ago which constitutes that body a board to deal with matters of this kind and gives that body the power mentioned in that Act. Now, in so far as other ports are concerned, which are not under the National Harbours Board, they are dealt with under their own legislation, and I am sure that none of them have the powers contained in this Act of 1911; and if parliament felt that in 1911 the Toronto Harbour Commissioners should have this power, I do not think that we should at this time challenge it unless it can be shown that it is interfering with rights of citizens, and certainly that has not been shown today. I would be disposed to amend it to cover the Pipe Lines Act, but not to amend it otherwise.

The CHAIRMAN: The amendment I have here by Mr. Whitman is to amend subclause 1 of clause 3 of bill 9 by striking out the words “notwithstanding any other Act” in lines 18 and 19, and substituting therefor the words “subject to the Pipe Lines Act”.

Shall the amendment carry?

Carried.

Shall clause 3 as amended carry?

Carried.

Perhaps you would like to consider the various subclauses of 3.

Shall subclause (2) carry?

Carried.

Shall subclause (3) carry?

(3) Paragraph (g) of subsection one of section twenty-one of the said Act is repealed and the following substituted therefor:

“(g) For the imposition and collection of rates, tolls, charges and penalties in respect of the landing, receiving, shipment, transshipment or transport by any means whatsoever of goods, wares, merchandise, materials, substances or commodities into, from or within the port and harbour of Toronto;”

Mr. GREEN: On this paragraph (g) could we have some explanation just as to why it is necessary to go so far with regard to putting in, for example, “by any means whatsoever of goods, wares, merchandise, materials, substances or commodities”—are those words used in any other harbour statute?

Hon. Mr. CHEVRIER: I think perhaps Mr. Roberston had better deal with that.

Mr. ROBERTSON: We believe that under the present form of the Act we have power to impose a toll on transshipment in the harbour. What actually does occur is this—and we are glad to have it again; we have revenue to get to service our bonds: We have lake shippers coming down in large numbers and tying up in the harbour, using the channels, using the dock walls that we have built; they sit there and they put their cargo into an elevator, then a ship will come to that elevator and move the cargo over to a very excellent industry, a malting company, and we have charged and they have paid a movement charge, a charge for movement within the harbour, and that is the purpose of it, Mr. Green, clarifying our right to charge, let us say, for transshipment or removal in the harbour, in the actual water.

Mr. GREEN: Why cannot you describe that as a movement charge?

Mr. ROBERTSON: Transshipment.

Mr. GREEN: Why transshipment?

Mr. ROBERTSON: That is what we call it.

Mr. GREEN: The words I am questioning are “by any means whatsoever”. Now, that, I think, goes so far as to include trucks. That would include trucking?

Mr. ROBERTSON: We have no intentions on that.

Mr. GREEN: But this is worded widely enough to cover any other means, which would include trucking?

Mr. ROBERTSON: I quite agree the wording is wide, but what we are shooting at, and we think we have it now, we think we can charge, and have charged a transshipment toll within the harbour. This was to clear up that point and I cannot make any other explanation or excuse; but we have charged for transshipment.

Mr. JOHNSTON: Seeing that this deals with the imposition of rates and tolls, I am interested to know one thing. I think Mr. Robertson told us a while ago that one of the reasons they wanted to charge tolls on oil coming in by pipe line was to replace the lost revenue they could have by charging tolls for delivery over the docks, that is, to make up for the loss of those tolls. Would the imposition of the tolls on oil coming through the pipe lines be sufficient to cover the revenue lost from tolls exacted for over the dock deliveries?

Mr. ROBERTSON: To answer your questions, I cannot speak for the commissioners as to matters of policy or for the future, but I can say that in discussing the bill and the reason for the bill, it was to pick up in harbour

dues what we lost because oil would now almost exclusively be brought in—not exclusively but in very large measure—by pipe line. We do not anticipate we will lose all our harbour dues from oil coming in by boat, but we will lose a lot, and we have not the faintest idea what the toll will be. We have to take so many things into consideration; for example, there will be some oil coming in by boat. Now, it will be completely silly or inequitable on our part to make a profit on the oil coming in by pipe line. I said we are not partisans in this matter. What our actual loss will be on cargo oil coming in there, and the rate that will be put on oil coming in by pipe line nobody knows—the commissioners do not know.

Mr. JOHNSTON: But it will just be sufficient to make up that loss?

Mr. ROBERTSON: That is what the intention is, but I cannot speak for future policy, that is.

The CHAIRMAN: I guess that answers the question.

Mr. GREEN: How would your so called “put-through” charge compare with the charge you levied for bringing the oil into the docks? Would it be higher or lower?

Mr. ROBERTSON: As I mentioned this morning, assuming that there is no cargo of oil in or cargo of oil out—we collected on oil last year \$140,000, which is 10 cents a ton, which works out at .04 cents, that is $\frac{4}{100}$ of a cent a gallon.

Mr. GREEN: That is over the docks?

Mr. ROBERTSON: Yes; assuming we get nothing over the docks, in or out, then presumably on the same quantity of oil we would charge that, but if more oil comes in we would be hardly justified, would we, in charging more. We would be making a profit.

Mr. GREEN: The put through charge is not going to be based on the service you render, because you render more service when it comes over the docks—your “put-through” charge is to be a charge levied to make up the money lost on the oil that is not coming over the docks.

Mr. ROBERTSON: Primarily and immediately our anticipated loss for lack of marine cargo. Now, you say we do not give any service?

Mr. GREEN: Your charge is not based on service.

Mr. ROBERTSON: But when you say that you must bear in mind that these people are sitting on the best property in the city of Toronto, property that we made, with our money, because we put the dock walls around it and filled up behind them.

Mr. MCGREGOR: Did you not sell that property or lease it to pay for your filling?

Mr. ROBERTSON: Not to pay for our filling; we sold it for what we could get for it. I want to clarify one statement made by Mr. Kilgour, that his leases were running out in a short time, one in two years and one in three years, and that we would then no doubt charge what we needed. Well, we just cannot do that. They are perpetually renewable leases and we can charge what the land without improvements is then worth.

Mr. GREEN: Are they not paying adequate rentals and taxes at the present time?

Mr. ROBERTSON: Well, take a 21-year lease. If you measure the rental as against what we can get now it is very inadequate but, in two years, we will have another bite at it.

The CHAIRMAN: Shall subclause (3) carry?

Carried.

Subclause (4)

Carried.

Subclause (5)

Carried.

Now, Mr. Whiteside moves the following amendment, that a new subclause 6, as follows, be included in the Bill:

"Section 21 of the said Act is further amended by adding thereto the following subsection 4: 'No by-law made under this section shall affect the construction, maintenance, or operation of any railway under the jurisdiction of the parliament of Canada, except railways of the Corporation.'"

Shall new clause 6 carry?

Carried.

Shall the schedule carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill as amended?

Carried.

We now require a motion to reprint the bill as amended.

Mr. McCulloch moves that the bill be reprinted in its present form.

Carried.

A motion to adjourn is in order.

Thank you, gentlemen.

